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# Congressional Record

## SEVENTY-THIRD CONGRESS, SECOND SESSION

### SENATE

THURSDAY, JUNE 14, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met in executive session at 11 o'clock a.m., on the expiration of the recess.

#### THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Wednesday, June 13, was dispensed with, and the Journal was approved.

#### CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Reynolds
Ashurst	Couzens	Kean	Robinson, Ark.
Austin	Cutting	King	Robinson, Ind.
Bachman	Davis	La Follette	Russell
Bailey	Dickinson	Lewis	Schall
Bankhead	Dieterich	Logan	Sheppard
Barbour	Dill	Loneragan	Shipstead
Barkley	Duffy	Long	Smith
Black	Erickson	McCarran	Steiwer
Bone	Fess	McGill	Stephens
Borah	Fletcher	McKellar	Thomas, Okla.
Brown	Frazier	McNary	Thomas, Utah
Bulkley	George	Metcalf	Thompson
Bulow	Gibson	Murphy	Townsend
Byrd	Goldsborough	Neely	Tydings
Byrnes	Gore	Norbeck	Vandenberg
Capper	Hale	Norris	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	O'Mahoney	Wheeler
Clark	Hatch	Overton	White
Connally	Hatfield	Patterson	
Coolidge	Hayden	Pittman	
Copeland	Hebert	Pope	

Mr. LEWIS. I announce the absence of the Senator from California [Mr. McAdool], occasioned by continued illness; the absence of the Senator from Florida [Mr. TRAMMELL], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Virginia [Mr. GLASS], who are necessarily detained from the Senate; and the absence of the Senator from Massachusetts [Mr. WALSH], who is detained in attendance on the Democratic pre-primary convention in Massachusetts.

Mr. HEBERT. I wish to announce that the Senator from Pennsylvania [Mr. REED] is absent because of illness, and that the Senator from New Hampshire [Mr. KEYES] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

#### INVITATION TO ATTEND COMMEMORATIVE EXERCISES IN HONOR OF JAMES MADISON

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from Hon. HARRY FLOOD BYRD, chairman, and Hon. Grosvenor Dawe, secretary, etc., Volunteer Committee of Arrangements, Madison Memorial Day Exercises, Montpelier, Va., which was ordered to lie on the table and to be printed in the RECORD, as follows:

MADISON MEMORIAL DAY,  
Montpelier, Va., June 12, 1934.

HON. JOHN N. GARNER,  
Vice President of the United States,  
The Capitol, Washington, D.C.

DEAR MR. GARNER: June 28 is the yearly anniversary date of the death of James Madison, fourth President of the United States, and named with historic justice "the Father of the Constitution."

At Montpelier, Va., by the consent and invitation of Mr. and Mrs. Thomas H. Somerville, owners of the Madison lands—and with the cooperation of the William Byrd Chapter of the D.A.R.—simple and informal commemorative exercises will be held at 2 p.m. on the afternoon of June 28.

While we are aware that the Seventy-third Congress may have adjourned before June 28, we desire to invite those Congressmen who may happen to be in Washington on that date to join in honoring the memory of one of America's devoted statesmen and servants.

Will you be pleased to lay this general invitation before the membership of the Senate, with the request that all who can attend should notify us of their intention, so that proper preparations for seating and transportation may be completed in advance.

Very respectfully,

VOLUNTEER COMMITTEE OF ARRANGEMENTS.  
HARRY FLOOD BYRD, Chairman.  
GROSVENOR DAWE, Secretary.

REXFORD G. TUGWELL

The Senate resumed the consideration of the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture.

Mr. NORRIS. Mr. President, on the 24th day of April the President of the United States sent to the Senate the name of Dr. Tugwell as Under Secretary of the Agricultural Department.

On that day, the 24th of April, the Senate referred the nomination to the Agricultural Committee. Last Monday was the first time the nomination was laid before the Committee on Agriculture and Forestry. That was done undoubtedly because the Senate had passed a resolution directing the Agricultural Committee to take action and report its action upon the nomination not later than 12 o'clock last Tuesday.

At 10 o'clock, as a member of the committee, I went to the committee room. I found on the door of the committee room a notice that the hearing on Dr. Tugwell's nomination would take place in a different room, the number of which I think was 18, a larger room.

I went to that room and had some difficulty in getting into the room. While it was a large room—the largest, perhaps, of any hearing room in the Capitol or in the House or Senate Office Buildings—I found the room crowded almost to suffocation. Every seat was occupied, and the aisles were crowded with people standing. The hall running out of the room into the main hall was crowded with people trying in vain to secure admission into the room.

When I got inside I found a table to seat the committee, with the chairman sitting in his proper place, two tables on either side for newspapermen and others, and, in the middle, a small table where the doctor was seated. He was surrounded on all sides by a surging crowd. Opposite him, seated at the committee table, was the Chairman of the Committee on Agriculture and Forestry. There was a broadcasting outfit in one corner of the room and a moving-picture outfit in another corner of the room, and dozens and dozens of cameramen snapping their cameras in different parts of the room. It seemed to me that the only thing it lacked, to have the right kind of a setting, was the presence of the Marine Band to furnish music for the occasion [laughter], although it would have been an impossibility, at the particular time I entered the room, for the Marine Band to have gotten inside.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. CLARK. The Senator does not mean to suggest that there was anything unusual in this procedure of allowing the newspaper photographers and an interested gallery to be present, does he? I agree entirely with the Senator that

it is inappropriate, but it has been my observation since I have been in the Senate that that takes place at any committee meeting which happens to be of popular interest.

Mr. NORRIS. I never saw the like of it since I have been in the Senate or in the House. It was a complete show, with nothing lacking but the music.

The witness, Dr. Tugwell, was facing the chairman of the committee, and with the chairman looking at him as he only can, with his fierce and piercing eyes; I wondered why the witness did not faint away. [Laughter.] I wondered how he could withstand those terrible surroundings and not get faint-hearted. I do not doubt now that he was thoroughly imbued with the importance of the occasion. I do not doubt now that he realized then that that was an occasion where 100-percent patriotism surrounded and took in everything.

After the chairman had examined Dr. Tugwell for a while, the Chair called the Senator from Virginia [Mr. BYRD] to the chair. The Senator from Virginia is not a member of the committee; but after the witness had been sufficiently impressed with the surroundings and with the atmosphere, the Senator from Virginia was placed in the chairman's chair, and the chairman gracefully withdrew—temporarily, it is true. I have the record here. The chairman said, "Now, Senator BYRD, you can take my seat temporarily"; and the Senator from Virginia took the chairman's seat, and the chairman got out of it, and the committee had a new chairman. The Senator from Virginia with great courtesy acknowledged the honor, however, and said in reply, "I first want to express my appreciation to the chairman and the committee for the privilege of propounding some questions to Dr. Tugwell." As a matter of fact, up to this point the committee had not been consulted; so the thanks that the Senator from Virginia gave to the committee, I suppose, were duly appreciated, even though the committee had no voice in the matter.

Mr. BYRD. Mr. President, I am very glad to accept the appreciation of the committee.

Mr. NORRIS. I was not fishing for any thanks, Mr. President, but I accept them just as gracefully as I know how.

The Senator from Virginia took the witness in hand, and looked clear through him. I have no doubt that in his vision the Senator from Virginia saw what was going on on the other side of the witness, and I have no doubt that it duly impressed the witness. The Senator from Virginia propounded to the witness the questions that he wanted to propound, and after he had continued for some time the atmosphere cooled off just a little bit. In preparation for the next inquisitor who was to take the chairmanship, the Senator from Virginia, I presume realizing that the temperature had dropped several degrees, raised it up to more than 200 percent patriotism by rising in his place and making a stump speech. He made a good speech. He did not talk to the committee. He talked over their heads. He talked to the crowd; and there was the crowd ready to help elevate the atmosphere and make a sufficient impression upon the poor victim who was there in the shape of Dr. Tugwell.

The Senator from Virginia was applauded. The crowd cheered and clapped their hands and yelled. It went away beyond almost any crowd that I have ever heard, on the street corner or anywhere else. The Senator worked up the crowd into a fervor of patriotism. He did not talk about Dr. Tugwell, it is true, but undoubtedly it impressed Dr. Tugwell. What he said, as I understood it, had nothing more to do with Dr. Tugwell's nomination than the starlings do that roost in the rafters of the Capitol [laughter]; but it raised the temperature. It duly impressed the witness. It seemed to me almost that he was like a lamb led to the slaughter, where grave and reverend Senators were going to propound all kinds of questions to him.

After that occurrence the Senator from Virginia very gracefully withdrew and surrendered the chair, and the chairman called out, and that time he said, "If there is no objection from the committee, we will have the Senator from North Carolina [Mr. BAILEY], take the chair temporarily."

In the midst of the excitement which had been worked up by this eloquent speech of the Senator from Virginia, the Senator from North Carolina [Mr. BAILEY] took the witness.

I have seen some witnesses examined in court; I have read some of the things that go on in police courts; but I think this equalled anything I ever read, or ever saw, or ever heard.

The Senator from North Carolina very learnedly started to read extracts from a lecture that the doctor had delivered in 1931 to a convention of economists, and he picked out a clause here and a clause there and asked the doctor whether those were his sentiments, whether he believed in them now. As he asked the questions he pounded the desk, and I wondered how the desk could stand the terrible pounding that was given it. I do not know whether or not it was made for the occasion, but it was an extraordinarily strong table, or it never would have stood up. [Laughter.]

The doctor sometimes refused to admit that these quotations were his sentiments and insisted that he was discussing before a scientific body a scientific question; that he was discussing questions that he condemned; that even over in Russia, where they had planning on a great scale, he had discussed it and he had said that if that kind of planning was adopted it meant the disregard of Constitution and statutes, but those were not his sentiments. Those would follow, in his judgment, from the adoption of that kind of a system of planning, in which he did not believe.

This show did not turn out just as I really expected it would, because modestly, courteously, and rather calmly, the doctor answered as best he could the questions propounded to him.

Mr. President, I thought the atmosphere cooled a little bit during the examination by the Senator from North Carolina, but it never was allowed to subside entirely. When it got a little cooler, another stump speech was made. The chairman made a couple of very fine speeches, defiant speeches, with the very fire of enthusiasm coming out of his eyes as he eyed the witness sitting there in silence before him.

During these speeches, in which the speakers did not discuss Dr. Tugwell to any extent, the temperature gradually went up again, the crowd yelled, they clapped their hands, and some of them became almost hysterical in the fervor of patriotism, which was increased up to a thousand percent.

Dr. Tugwell was still there. As the questioner would pound the table after he had read a sentence picked out of this speech, he would point his finger at Dr. Tugwell and say, "Is not that your language?" After the doctor had been questioned not only by the Senator from Virginia [Mr. BYRD] but by the Senator from North Carolina [Mr. BAILEY] 4, 5, and sometimes 6 times upon the same point, they let him go. After the Senator from North Carolina [Mr. BAILEY] had quit, for the first time the chairman announced very courteously, that if any member of the committee had any question to ask he might ask it.

Well, Mr. President, the next day at 10 o'clock the committee met.

Mr. CUTTING. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. CUTTING. I was about to suggest to the Senator that perhaps one of the reasons why the members of the committee did not ask more questions was on account of the attitude of the hearing. It would have taken a good deal of courage for any member of the committee to ask many questions in that audience. If the Senator will recall, a mere suggestion from the Senator from Alabama [Mr. BANKHEAD] that the proceedings be conducted in a more orderly manner was greeted with catcalls, and hisses, and hoots, and boos from the audience.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LONG. I was at the hearing, and it seemed a rather good-natured meeting, with about half the committee acting as witnesses and the other half acting as interrogators.

Mr. LOGAN. Mr. President, if the Senator from Nebraska will yield, I just wondered whether the Senator from Lou-



isiana would consider that a rowdy meeting, because I have held some committee meetings in New Orleans, and I know what they are down there. [Laughter.]

Mr. NORRIS. Mr. President, we need make no argument when the Senator from Louisiana characterizes this meeting as he has. If he felt that way about it, God only knows how the rest of us felt about it.

What the Senator from New Mexico has said is true. The committee were awed into silence. I did not have the courage to participate very often, and when, with his hand pointed at the witness, the questioner listened to about half the answer and then interrupted with another question, once or twice some of us did interrupt and say, modestly, that we thought the witness ought to be allowed to answer one question before another was propounded. But that was about the way the show proceeded.

Mr. CLARK. Mr. President, will the Senator yield to me? Mr. NORRIS. I yield.

Mr. CLARK. I merely desire to say to the Senator that if the Senator from Nebraska and the Senator from Montana were in anywise intimidated by any part of the proceedings or if they were not practically acting not only as counsel for Dr. Tugwell but as witnesses for him, then the Senator from Nebraska and the Senator from Montana have been grossly libeled by the stenographers who officially reported the hearings.

Mr. NORRIS. The stenographers may have a different idea of it from what I had, but I would like to say to the Senator myself that it took a great deal of courage for me to interrupt the proceedings. I did not have the courage to do it. I was frightened. [Laughter.] I wondered what the witness thought if a Senator, who had attended other meetings and listened to several other hearings in his lifetime, was scared or lacked courage to interrupt; I wondered what the poor witness, who never had had a similar experience, must have been thinking.

It is said here now on the floor that one of the things against Dr. Tugwell is that he did not stand up during that examination and say, "Yes; I believe so-and-so", that he was taking water. Probably he was; I do not know. If he was human, he was. He was frightened, and perhaps he was apologetic sometimes, and he would be justified in being so, I thought, from my experience with human nature.

Now the charge is made against him that when these extracts were read he did not say, "Yes; those are my sentiments." It is said here on the floor that if he had said so, it would have been better than if he had said, "They are not my sentiments." So Dr. Tugwell, so far as his interrogators were concerned, was going to be damned no matter what he did. If he had said, "Yes; those are my sentiments", they would have said, "He is a Bolshevik." If he had said, "No; those are not my sentiments; I do not believe in that. I am not a party to the Bolshevik idea. I believe in our Constitution. I believe in our statutes", as he said repeatedly and repeatedly and repeatedly. Now he is condemned for saying that.

They can take either horn of the dilemma they please, but they have to condemn him, no matter which way they go, because they wanted him to say he was a Bolshevik, they wanted him to say that he believed in the Russian form of government, that he did not believe in our Constitution, that he did not believe in our statutes; and he did not say that—he denied it.

Mr. President, there has been a propaganda all over this country against Dr. Tugwell as great, almost, as any propaganda I have seen since I have been here. Millions of farmers and millions of other citizens of the United States have been misled as to Dr. Tugwell.

A man called me out Monday afternoon after I had come to the Senate, following the hearing, and tried to persuade me to be against Dr. Tugwell's nomination. Two men representing farm organizations came from my State and called me out and said, "We are here to protest against Dr. Tugwell."

I said, "Why? I am for him. I think he is a fine man. I think he will make a wonderfully fine Under Secretary." And that does not mean that I would necessarily have to

agree with everything he stands for.

One of these farmers had been over at the meeting. I saw him standing up in the audience. He said to me, "Why, the charge against Dr. Tugwell is that he believes in the nationalization of farms."

I said, "You heard him testify. You heard that question propounded to him, and you heard him emphatically deny it—say that he did not believe in it."

"Yes", he said, "I heard that, but they are saying out over the country that he believes in it, nevertheless."

Mr. President, who is Dr. Tugwell? He was born on a farm in the State of New York, raised on a farm, went to school in the wintertime and worked on the farm in the summertime. After his graduation he had charge of his father's farm. He engaged in farming.

Before that came out in the evidence I was for a time a little frightened about it, because from what I had heard from some Senators as to the qualifications of an Under Secretary, I thought he came sometimes very near disqualifying himself.

It developed that Dr. Tugwell was educated, that he could even read and write. I thought then that might go against him with some people who think that the Under Secretary ought to be uneducated.

But what are his views? He has some advanced views. I think he is a liberal, although he calls himself a conservative. I myself would have thought more of him had he said he was a liberal, but he is entitled to give his own definition of what he thinks he is. I myself would not like to be called a conservative. I would not apologize for the fact that I was not one.

Some of Dr. Tugwell's articles show, and in fact his testimony shows, that when he graduated and after he left the farm he made a study of two things in political economy; it was his life's work; it is his life's work now—the farmer and the laboring man. Those are the two classes of our citizens he stood up for. Because it is his judgment that those two classes have not always received justice he stands condemned today by the special interests.

Those who have been opposing him, outside the Senate, of course, have been following Samuel Insull in their opposition. Senators know that when Samuel Insull was in his glory and had men hired everywhere, and was electing men to the Senate and to the House and to the judgeships and to commissions where they had something to do with electric-light rates, he had a manager who prepared speeches for candidates for Congress, and one of the interesting things which was developed several years ago was that that manager, in writing to another Insull manager in another State, telling him how to do his work and telling him how to get the right kind of men into office, said, "To prepare the candidate right do not discuss the issues." That was pretty good advice, coming from the Insull camp. "Do not discuss the issues, but hang the Bolshevik idea on the man you are opposing."

That is what some people have been trying to do in the case of Dr. Tugwell. They have not done it because they believed it, but they have made many honest men believe that it is true. Letters and resolutions coming from all over the country show that this propaganda has had its effect. They have come to me; they have come to all of us; and as they said to me I presume they said to other Senators, "He believes in the nationalization of the farmer."

Mr. President, he does not believe in anything of the kind. He has devoted his life to the interests of labor and agriculture. That has been his specialty.

When he was a young man he attended the first conference that was ever called by any President—it was called by President Harding—to consider the agricultural question. That conference was the beginning of the discussion of the agricultural question. There were called from all over the United States by the President prominent men—Governors, and so forth—to meet in conference. Dr. Tugwell was not invited, but he was there. He listened to the evidence.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield

Mr. MURPHY. Was the Senator from Nebraska invited?

Mr. NORRIS. No; I was not invited. Dr. Tugwell listened to the evidence, and he was there at his own expense. He listened to it and he heard all the debate, because he was educating himself on the farm question. He wanted to hear what the leaders had to say. It was part of his education. He heard it all.

I learned from the hearing before the Committee on Agriculture that Dr. Tugwell favored the McNary-Haugen bill, which we passed through the Senate four or five different times on roll calls. I voted for it every time, but always had doubt about it. I have doubt about it yet, but I would vote for it again if the conditions were the same as they were then. It was defeated. Dr. Tugwell wrote something about it. In the hearings Senators will find one of the things he said about it in one of his writings; and I thought then, "He is treading on dangerous ground", as many Senators and many Members of the House and many eminent men over the country honestly believed that it was unconstitutional.

Mr. President, Dr. Tugwell might be condemned for that; some people would condemn him for it. I have been condemned, as other Senators have been, many times by honest men for favoring that kind of legislation. We were, as I believed then and as I believe now, in desperate condition. Some of us said, "If first we relieve agriculture, the cornerstone of our Nation, we shall relieve everyone, because, after all, we all depend upon agriculture." Dr. Tugwell was in favor of the McNary-Haugen bill, and he said so. He said in one of his articles that the more he read about it the more enthusiastic he became about it. He wanted the bill passed. That incurred the animosity and the hatred of big business and special interests. And although I favored it—I want to say I might have been wrong and Dr. Tugwell may have been wrong—it was never tried.

There has never been anything in the man's life to indicate that at any time, so far as I have ever heard of him, he has not been actuated by the sincerest and most honest of motives. He has now but one great ambition in his heart, and that is to help farming and to help labor. He learned about farming when he was between the plow handles. He learned about it when he scraped the mud off his boots when he went in at night. He may be wrong about some of the principles he advocates; but I do not think that is any reason why he should be condemned.

If Dr. Tugwell can be passed off and discarded it will be one of the greatest victories the special interests have ever obtained. They are on his trail. They have gone all over the United States with their false and misleading propaganda. They have deceived millions by their arguments. But the Insull racket ought to be too old now to be repeated.

The same class of people that are condemning him are now apologizing for Samuel Insull since he came back. The same propagandists who are trying to down Dr. Tugwell are now trying to build up a sentiment of sympathy around Insull. This propaganda is the Insull idea—the most dangerous of any that we have to contend with here—"Hang the Bolshevik idea on him." And people honestly believe some of these reports which have gone out.

One might take a sentence here and there out of the Holy Bible and condemn it. There would not be any difficulty in doing that if we resorted to the Insull methods.

Mr. President, I do not question any man's motives on this vote. I do not want to look into any man's heart and see why he casts a vote this way or that way. He is and he should be the master of his own conscience and his own vote. But after we have seen these kinds of propaganda which have gone over the country for various things we should not here and now be moved again and caught in the same trap that has been made to work hundreds of times in the past.

I have not heard a scintilla of evidence which questions the ability of this man, which questions his sincerity. I have never but once heard his courage questioned, and that

was here on the floor of the Senate. I would not have been surprised and I would not have condemned him if on the examination before the committee he had withered to the floor, when that howling crowd was worked up to a frenzy on various ideas that did not have anything to do with Dr. Tugwell, and then suddenly the scene was changed and Dr. Tugwell was subjected to inquisition, surrounded by men of great ability who were questioning him and questioning his standing. It would not have been a thing to wonder at had he collapsed under the ordeal which he was compelled to endure.

And then when we came to vote in that committee we found that the committee was in favor of Dr. Tugwell 16 to 2. If we had omitted the chairman and just taken the vote of the committee it would have been a repetition of the famous ratio of 16 to 1.

Mr. President, to my mind that which is most requisite for a public official is honesty and sincerity. He ought to have courage, he ought to have wisdom. But if he will act honestly then there is hardly an office in this country of which he should not be allowed to have charge. I think Dr. Tugwell possesses these qualifications. He may not agree with me on some things; he may not agree with other Senators. There are no two of us who can agree. We are confronted, especially in agriculture and in labor, with a predicament that never before confronted mortal man. It is required of this administration to solve problems that have never before been presented. The old order has failed. I may blame the failure on one cause and other Senators may blame it on another, but we cannot deny that it has failed; that old remedies do not work. No man living can tell in advance just exactly what a new remedy or a new method will bring about.

We must either go forward with the light that God gives us, and do the best we can, or we must sit silently by and do nothing, and in the latter case we know that our country and our civilization will both fail. I think those in charge of our ship of state at this time ought to have the prayerful help of all our people, regardless of party. There is no place in this dilemma for a man with a mallet and chisel to come along trying to get some party advantage. If those on this side of the Chamber think they can get a party advantage in this case, I want to say to them that when the truth shall finally percolate down, as it will in time, they will be condemned for an opposition that is based upon such narrow-mindedness and such a lack of patriotism.

The opposition to Dr. Tugwell, as I see it—and I still say, in parenthesis, that I am not questioning any man who opposes him for any reason that he may think is proper—will crumble and decay when it shall have been properly investigated, and, when the truth shall be known, at least, his opponents will have to give him the credit of being honest and doing the very best he could under the most difficult circumstances possible.

Dr. Tugwell has not any politics, as I take it; I never heard anything said about his politics until he was questioned on the stand the other day. I do not know now whether he gives allegiance to any political party; or if he does, to which political party; but he did say he had written something on the farm question, at the request of friends of Governor Smith when he was a candidate for the Presidency. He also said that, so far as he knew, nothing that he had written had been utilized. Dr. Tugwell was, of course, if he favored the McNary-Haugen bill, opposed to some of the policies at least of the Coolidge and Hoover administrations. So far as I know, he took no part in any of those political contests. He advocated what he believed to be right for the farmer and laborer, without regard to the consideration of any political party. I take it there will be no partisan advantage here in the confirmation of his nomination. His administration, if he shall control it, will be as pure and as high above partisan activity as one can possibly imagine, for he has but one idea in his heart, and that is efficiency, righteousness, and to help save the farmer and the laboring man from the present terrible conditions which surround them.



## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. GRIFFIN, Mr. McMILLAN, Mr. PARKS, Mr. CARY, Mr. GOSS, and Mr. WIGGLESWORTH were appointed managers on the part of the House at the conference.

The message also announced that the House had severally agreed to the amendments of the Senate to each of the following bills of the House:

H.R. 6462. An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range; and for other purposes;

H.R. 9526. An act authorizing the city of Port Arthur, Tex., or the commission hereby created, and its successors, to construct, maintain, and operate a bridge over Lake Sabine at or near Port Arthur, Tex.; and

H.R. 9745. An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 9741. An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof; and

H.R. 9904. An act to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended.

## ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2347. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended;

H.R. 7982. An act to establish a national military park at the battlefield of Monocacy, Md.;

H.R. 8525. An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts;

H.R. 9002. An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes; and

H.R. 9745. An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

## REXFORD G. TUGWELL

The Senate resumed the consideration of the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture.

Mr. BYRD. Mr. President, I have enjoyed, as I know the other Members of the Senate have, the satire of the distinguished Senator from Nebraska. He pictures the meeting of the Agricultural Committee and the persecuted witness, Dr. Tugwell, and myself, a new Member of the Senate of the United States, very humble in everything I have tried to do here as intimidating the Senator from Nebraska. I am especially pleased, and I want to thank the Senator from Nebraska for the high compliment he has paid me with respect to my oratory. I am a plain, blunt business man. Until the Senator made his speech this morning I had never believed I possessed any capacity whatever as an orator—I, of course, know the Senator was being facetious; but I feel that I have failed in my oratory, because I have not as yet been able to make the Senator from Nebraska understand why I am opposed to the nomination of Dr. Tugwell; and, with his attention, I will endeavor to make myself clear.

Mr. President, I have been especially impressed with the wide tolerance and liberality shown by the Senator from Nebraska in the speech he has just concluded. He classes those of us who oppose the nomination of Dr. Tugwell as advocates of special interests in this country, even to the extent of following the teachings of Samuel Insull. I want to say, Mr. President, that I do not take to myself any attitude of self-righteousness; I do not give myself a certificate of character whenever I speak on the floor of the Senate; but I have just as keen a conscience in the discharge of my public duty in this or any other matter before the Senate as has the Senator from Nebraska or as has any other Member of this august body.

Mr. President, referring to the suggestions of the persecution of Dr. Tugwell, when the examination was held before a committee that voted 16 in favor of his nomination to 2 against, anyone who can read that record can see he not only had able counsel there to protect him and suggest what he would say in reply to his questioners, he not only had the Senator from Nebraska [Mr. NORRIS] as his defender, but he had the Senator from Montana [Mr. WHEELER]; and the question was, at times, who was the witness being examined, whether it was the Senator from Montana, or the Senator from Nebraska, or whether it was Dr. Tugwell. It is only necessary to read the record of that meeting of the Committee on Agriculture and Forestry, to demonstrate, and it is not necessary for me to say to the Members of the Senate, that Dr. Tugwell could not have been persecuted in that presence; that the Senator from Nebraska would have prevented it, as would have the Senator from Montana and the other 14 advocates Dr. Tugwell had on the committee.

But, Mr. President, I am not here to reply to the satire of the distinguished Senator from Nebraska, much as I enjoyed it. I am here to state, as clearly and concisely as I can, my reasons for opposing the nomination of Dr. Tugwell; and they are just as sincere reasons as are those held by any other Member of this body.

I wish to say that I have no animosity and no hostility of any character against Dr. Tugwell. I would not for my right arm do him an injustice on the floor of the Senate. The few times it has been my pleasure to meet him I have been greatly impressed with his very charming personality. I further desire to say, Mr. President, that I deeply regret the necessity I am under to oppose a nomination sent to the Senate by the leader of my party, the President of the United States. I am a regular Democrat, who believes in party organization. My record in the Senate will show that I have supported the recommendations of the President of the United States in the large majority, and unless I had some strong conviction to the contrary, I stood up as one of 27 Senators and was counted for him when his veto was overridden by Congress. I further believe in the greatest possible latitude being given to the Chief Executive of this country in the appointment of those subordinates who serve under him; and, for that reason, it is with great difficulty that I have made the decision to cast my vote, for the reasons which I now give, against confirming the nomination of Dr. Tugwell.

In reply to the Senator from Nebraska, let me say that I am not voting against Dr. Tugwell because of disappointment that he did not admit he was a Bolshevik, that he did not admit he believed in the Soviet system of Russia. I am voting against him entirely for other reasons, which I will endeavor to make clear as I proceed.

It had been my purpose to vote for the confirmation of this nomination. My attention was attracted to an interview given by Dr. Tugwell in a Washington newspaper in which he said, to quote him exactly—

Certain amendments to the Agricultural Adjustment Act now pending in the Senate will permit us to continue to do what we have already been doing. If we should get a set-back in court, we would have to stop doing certain things under present circumstances.

Mr. LOGAN. Mr. President, will the Senator yield there?

Mr. BYRD. Yes, sir.

Mr. LOGAN. Will the Senator from Virginia tell me what difference there is between the position of Dr. Tugwell



as expressed in that statement and the position of the President himself when he closed the banks soon after he came into office and then asked Congress for authority to validate what he had already done? Or what difference there is between the statement of Dr. Tugwell and the position of Mr. Hoover when he extended the time of payment of the war debts due the United States and afterwards asked Congress to validate what he had done?

Mr. BYRD. Mr. President, let me say to the Senator from Kentucky that there is a vast difference in what the President of the United States may do in a great emergency and what an official of the Government may do in usurping the authority of Congress and in taking to himself authority which has not been delegated to him by the legislative branch.

I wrote a letter to Dr. Tugwell and asked whether or not he was correctly quoted in the interview to which I have referred. I received in reply a letter which is now a part of the record of the Senate. In that letter Dr. Tugwell admitted that substantially what was said in the interview was correct. One sentence of it said:

It was also in that connection—

Referring to certain activities of his Department—

that I stated that certain of the amendments simply permitted us to do what we are already doing.

I do not question the beneficial effect of what the Department of Agriculture is doing. I do not say whether this authority which has been exceeded is wise or unwise for the farmers of the country. But I stand as one who believes the time has come for the Congress of the United States to say to the bureaus here in Washington that they must not exercise authority unless such authority is first given them by the legislative branch of the Government.

I stand as one who believes the time has come to let the people of the country know and the bureaus and the departments of the Government know that there are still three branches of our Government, each independent and as a check upon the other, the legislative, the executive, and the judicial branches.

Mr. BANKHEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Alabama?

Mr. BYRD. I yield.

Mr. BANKHEAD. Will the Senator kindly state some specific act which he charges Dr. Tugwell with having done in violation of law?

Mr. BYRD. Mr. President, I have no specific act to charge except to say that by his own admission he has admitted that he has exceeded the authority granted him by Congress and that he wants us to validate the illegal acts which have been performed by his Department.

Mr. BANKHEAD. I heard every word Dr. Tugwell said, and I think if the Senator will review the record, he will find it is an extreme construction which he has drawn from the testimony.

Mr. BYRD. I am quoting from a letter written to me which is a part of the CONGRESSIONAL RECORD, in which Dr. Tugwell said:

It was also in that connection that I stated that certain of the amendments simply permitted us to do what we are already doing.

Why should the Congress permit the Department of Agriculture to do what they are already doing if they have the law authorizing them to do it? If they have a legal right to do it, then it is not necessary for Congress to permit them to do what they are already doing.

Mr. BANKHEAD. I assume the Senator wants to present a fair record. Let me ask the Senator if it is not fair at this point to state that Dr. Tugwell said they believed that what they had done was authorized by law, but that certain protestants and recalcitrants had challenged their authority and gone into court even to the extent of five cases; that although the courts had ruled with them in all five cases, yet on account of arguments and objections presented the Department thought it best to clear up the grounds of objection which had been presented; that there was no admission

of any sort by Dr. Tugwell or anyone else connected with the Department of Agriculture that they had exceeded or violated the authority of law.

I will ask the Senator if it is not fair to state that Dr. Tugwell did say they believed they had the authority and that thus far the courts had sustained their belief?

Mr. BYRD. Mr. President, it is true, as the Senator from Alabama has said, that there are certain amendments pending here in the Senate to the Agricultural Adjustment Act which the people of the country have been told, and inaccurately told, are merely clarifying amendments to the act, when as a matter of fact they vest great additional authority in the Secretary of Agriculture. We are likewise told that the adoption of the amendments is necessary to permit the Department of Agriculture to continue what they are already doing.

I am one of those, Mr. President, who believe that the proper agency of the Government to clarify the laws enacted by Congress is the judiciary, the courts. I do not believe Congress is the proper authority to clarify what it once attempted to do. I believe the courts should clarify it through litigation already in progress.

Secretary Wallace said he thinks it was the intention of Congress to give the authority to the Department of Agriculture which is given by the pending amendments. I voted for the Agricultural Adjustment Act, and I am one who would not have voted for that measure if the pending amendments had been incorporated in the original act. Speaking for myself, it was not my intention to give this greatly increased authority to the Department of Agriculture as covered and proposed by the pending amendments.

But that is my own view. Other Members of the Senate may form their own conclusions. It is my firm conviction that Dr. Tugwell and the Department of Agriculture have willfully exceeded the authority given them by Congress. It is my firm conviction that they have admitted they have exceeded that authority and are now asking us to validate their illegal acts. I may be wrong, but that is my opinion.

Mr. President, let me proceed a little further. I have said I intend to vote against the confirmation of Dr. Tugwell because I am going to cast a vote in protest against any bureau chief, against any department head of the Government, who deliberately exceeds his authority, so that we may preserve and call attention again to the fundamental institutions of our Government. I will admit, with utmost frankness and candor, that if I had not already determined to cast my vote against Dr. Tugwell, I would have decided to do so after I heard his testimony before the Committee on Agriculture and Forestry last Monday.

Mr. President, Dr. Tugwell was then questioned in the graphic manner described by the Senator from Nebraska [Mr. NORRIS]. I only wish it had been as exciting as so eloquently described to the Senate by him. Dr. Tugwell was questioned in regard to his speech made in 1931, a speech which was made in an affirmative sense, a speech in which he made arguments to sustain the things which he said. Dr. Tugwell said on last Monday that he did not mean what he said in 1931. He said he was speaking then as a reporter and as a scientist. But there is nothing whatever in the speech, not one single line, to show he was speaking as a reporter and that he was not giving his own views in making the speech.

Mr. President, I should like to know what special dispensation a scientist has not to be held strictly accountable for the things he says and the things he writes. If there is any special immunity to be given to a scientist, I hope it may be extended to us politicians because it would be very convenient to us at times to be able to disclaim responsibility for those things that we say and those things that we write.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Nebraska?

Mr. BYRD. I yield.

Mr. NORRIS. I am asking the Senator for information. The letter of the Senator to Dr. Tugwell about an article in the paper was inserted in the CONGRESSIONAL RECORD. I



heard read the Senator's letter to Dr. Tugwell. The reply of Dr. Tugwell was not read but was printed; consequently I did not hear it read and I have not read it. Will the Senator tell me where I may find it in the RECORD?

Mr. BYRD. It is in the CONGRESSIONAL RECORD of last Saturday.

Mr. NORRIS. I mean at what page of the committee hearings?

Mr. BYRD. I do not know that it is in the committee hearings. It was printed in the CONGRESSIONAL RECORD of last Saturday.

Mr. NORRIS. Very well.

Mr. BYRD. Mr. President, I should have today much more respect for Dr. Tugwell if he had come before the Committee on Agriculture and Forestry and said courageously and frankly: "Yes; I wrote that speech in 1931. Yes; I believed what I said then, but I said it under conditions existing at that time. I said it after 12 years of Republican misrule when many thought the Government of this country was on the verge of collapse. I said it to contribute something to the political thought of that day." But no; Dr. Tugwell came before the committee and completely repudiated what he said in his speech in 1931.

Mr. President, I am going to attempt to show the Senate that subsequent utterances of Dr. Tugwell confirm me in the belief—and I make this statement with the utmost regret—that when he made that speech in 1931 he believed in the principles he then enunciated. I am not going to take the time of the Senate to call attention to the numerous speeches Dr. Tugwell has made since that time. I am going to call attention to one speech, a speech he made on December 29, 1933, in Philadelphia, entitled "The Place of Government in a National Land Program", a speech which he made not as a scientist, and hence he has no cloak of immunity, because he made the speech as Assistant Secretary of Agriculture and as a responsible official of the Government. He said in that speech:

We are now engaged in a drastic program of controlling the output of agricultural products for the emergency. This in itself means that we are trying to control the entire utilization of all our agricultural land.

And then he says:

Private control has failed to use wisely its control of land. The post-war decade of low farm incomes, and the subsequent period of industrial collapse, now makes us realize that the use which is made of the land is of immediate and vital interest to us all.

For the first time the Government is thinking of land as a whole. For the first time we are preparing to build a land program which will control the use of that greatest of all natural resources, not merely for the benefit of those who happen to hold title to it, but for the greater welfare of all the citizens of the country.

Now, remember, Mr. President, that speech, made in 1931, spoke of a planned economy—a planned economy whereby the Government would take control of all private business, whereby he says business will be abolished, and even the Constitution of the United States will be destroyed; yet in this speech, made as a responsible official of this Government, he says:

Private control has failed to use wisely its control of land. \* \* \* For the first time, the Government is thinking of land as a whole.

What could that mean except that he still believes in the system of planned economy and national planning enunciated in his speech of 1931?

Now I want to ask, who gave Dr. Tugwell the authority to speak at that time in behalf of the Government of the United States? Who is the Government of the United States? The Congress is the Government with respect to all legislative matters; and, so far as I know, there has been no bill presented to Congress, no law even suggested, whereby the Government could take control of all the land in this country, as indicated by Dr. Tugwell in this speech.

Mr. President, he was speaking at that time as Assistant Secretary of Agriculture, speaking as a man who is supposed to preserve the interests of the farmers; yet what does he say? He says:

We are preparing to build a land program which will control the use of that greatest of all natural resources, not merely for the benefit of those who happen to hold title to it, but for the greater welfare of all the citizens of the country.

Not merely for the benefit of the farmers, the people that we are trying to help in this great emergency that confronts us, but for the greater benefit of all the people of this country.

I ask in all sincerity, let the Members of the Senate read that speech in connection with the speech of 1931 which Dr. Tugwell has now repudiated.

Mr. President, I am convinced in my own mind that Dr. Tugwell meant not in detail but meant in principle those things he said in 1931. I do not want to convince any other Member of the Senate, even if I could, because this is a matter that each of us must decide for himself. I am further convinced that he meant that when I read his last book entitled "Our Economic Society and Its Problems."

Let me read one clause in that book; and again, Mr. President, this is not written as a scientist. It is not written as a reporter. It is written, as shown by the title page, as Assistant Secretary of Agriculture, as a responsible official of this Government. He says in this book:

The challenge of Russia to America does not lie in the merits of the Soviet system, although they may prove to be considerable. The challenge lies rather in the idea of planning—

Still talking about the planning that he suggested in 1931:

Of purposeful, intelligent control over economic affairs.

This, it seems, we must accept as a guide to our economic life to replace the decadent notions of a laissez faire philosophy.

Again, he considers in this book the different plans that have been suggested as a solution of the governmental problems of this country. He considers the Soule plan, and says in regard to that plan:

The doubtful point is whether business organized internally on a basis of profit making is the type of business that can best serve social ends. Is national planning consistent with individualistic businesses? \* \* \* Before the laws could be changed, public sentiment would have to surrender its laissez faire philosophy and espouse the principles of social control.

Then he discusses what is known as the "Beard plan", still talking about the planning that he first brought forth in 1931; and his criticism of the Beard plan is:

A special feature of the plan is its insistence throughout that only staple articles are to be brought under the national economic council. \* \* \* This provision seeks to avoid a supposed evil of socialism; that is, that socialism tends to excessive standardization and is, therefore, detrimental to cultural development. However, under a completely planned economy the ultimate decision as to what goods are luxuries and what luxuries ought to be tolerated in the productive system rests with the public will as expressed through the agencies of planning.

Again referring to the planned economy that I assume he set forth in 1931.

Then he criticizes certain features of the Swope plan, and says:

They barely touch the problem of economic planning in the public interest.

He dismisses that plan with these words.

Then he discusses the plan submitted by the distinguished Senator from Wisconsin [Mr. LA FOLLETTE], for whom I have the highest respect. He says in regard to that plan:

The whole question of economic planning has been obscured by the attention devoted to this sort of organizational scheme. An advisory council might guess, but it could not plan; and the difference between guessing and planning is the difference between laissez faire and social control.

Then he speaks of the National Industrial Act, which has been placed on the statute books at the recommendation of the President of the United States; and as to that he says this:

But for the evil that the most economical utilization of industrial capacities for the welfare of the people as a whole is inconsistent with private profit-seeking, the act attempts no remedy.

Successful economic planning involves the encouragement of industrial development along socially useful lines, based on the recognition that the social utility of an industry cannot always be determined by its ability to yield private profits. Thus plan-

ning involves public participation through government in the distribution of capital among industries, by means of taxation, regulation of profits, and in various other ways.

Then, Mr. President, 3 years after the speech he made in 1931 and which he now repudiates, he has a chapter headed "Need for Economic Planning." Although he said before the committee, as the record will show, that he did not approve of national planning, that he did not approve of planned economy except such planning as has already been adopted by this administration, yet here is a chapter in this book in which he makes an argument for the need for economic planning. He says:

The objectives are clear. The methods to follow are not so apparent. But we cannot sit and wait. We must act, and we cannot act without planning. To act in the public interest, we must plan on a national scale. To put national plans into effect, we set up social controls—

And so forth.

For many years the technical task of devising plans for regulating our complex economic interests was too difficult to attempt. But today we know that this is no longer true, for Russia has shown that planning is practicable. \* \* \* For many years the Government has handled the mails efficiently, and there is no reason to suppose that other enterprises would be more difficult.

Remember, Senators, that the speech of 1931 spoke of a planned economy which would mean the abolition of business and the destruction of the Constitution, by the very language of that speech; and now he is still making an argument for that particular plan, known as "planned economy."

Mr. LOGAN. Mr. President, does the Senator yield?

Mr. BYRD. I yield.

Mr. LOGAN. I know very well that the Senator would not intentionally misquote Dr. Tugwell; but since I observe that he and the Senator from North Carolina both said that Dr. Tugwell advocated a doctrine which meant the destruction of all business, I desire to call his attention to the fact that Dr. Tugwell did not say that. He said it meant the destruction of laissez faire industry, which is quite a different thing from the destruction of all business.

Mr. BAILEY. Mr. President, to that remark by the Senator from Kentucky should be added the statement that Dr. Tugwell himself said that all existing business in America was the creation of the laissez faire philosophy.

Mr. LOGAN. That is true, and it will all have to be destroyed, if we are to maintain the national life and existence. Dr. Tugwell is absolutely right about that. There is no way for us to go on. I thought all of us admitted that under the old laissez faire doctrine, as we have built it up over 40 years, business got to the point where it just exploded. Now we shall have to try to do something else.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield for an observation?

Mr. BYRD. I yield.

Mr. ROBINSON of Indiana. In connection with what the Senator from Kentucky has just said, I have here what purports to be a direct quotation from Dr. Tugwell on that subject. I read it for the benefit of anybody who might not have had an opportunity to hear it before:

Most of us who say so easily that this is our way out do not, I am convinced, understand that fundamental changes of attitude, new disciplines, revised legal structures, unaccustomed limitations on activity, are all necessary if we are to plan. This amounts, in fact, to the abandonment, finally, of laissez faire. It amounts practically to the abolition of "business."

Then he is quoted still further as follows:

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant.

Mr. LOGAN. Mr. President, if the Senator from Virginia will allow me to ask the Senator from Indiana just one question, I should be glad to; that is, does the Senator from Indiana believe in the old laissez faire doctrine as announced by Adam Smith?

Mr. ROBINSON of Indiana. Mr. President, I do not care to go into the laissez faire question at all. We are merely

discussing what Dr. Tugwell said, and I have just quoted what are reported to be his exact words, saying that business must disappear. It is not a question of laissez faire at all. It is not a question of the laissez faire doctrine. The question is as to business. He says business must disappear.

Mr. BLACK. Mr. President, will the Senator yield to me to ask the Senator from Indiana from what he is reading?

Mr. ROBINSON of Indiana. I am reading from the statement of Dr. Tugwell, which I understand he now repudiates, the statement made in 1931 before the Forty-fourth Annual Meeting of the American Economics Association.

Mr. BLACK. May I ask whether that is taken from the circular issued by the Pennsylvania Manufacturers Association about Dr. Tugwell?

Mr. ROBINSON of Indiana. Not at all. I have the same thing to which the Senator refers, but this is not taken from that.

Mr. BYRD. Mr. President, for the information of the Senator from Alabama, I will say that Dr. Tugwell has been correctly quoted, and that the quotation can be secured from the CONGRESSIONAL RECORD of June 8, from the speech which was inserted at the request of the Senator from Oklahoma.

Mr. President, to proceed with my argument, that I claim that by subsequent developments, by the activities of Dr. Tugwell, he has shown that he believed in the things he wrote in 1931, let me call the attention of the Senate to another section of the book he has just written; and, by the way, this book, I understand, is to be used in the public schools of this country. He says:

Obstacles to the Experimental Attitude.

One of the purposes of the book is to bring about an experimental attitude, as stated in one of the paragraphs of the book. Here is what he says as to the obstacles to the experimental attitude:

An illustration of such feeling is the unreasoning, almost hysterical, attachment of certain Americans to the Constitution.

Although he said in his testimony before the committee that he favored the Constitution, and, when I asked him if he favored any amendments to the Constitution, he said he did not know of any amendments to the Constitution he did favor, yet he says that one of the "obstacles to the experimental attitude" which he is trying to bring about in this book, which is one of the announced purposes of it, is the "hysterical attachment of certain Americans to the Constitution."

He goes on to say that in the same way many people are unreasonably attached to the protective tariff, to the gold standard, to labor unions, and to individual bargainings between employers and employees.

I thank God, Mr. President, that there is an hysterical attachment to the Constitution still existing in this American land, notwithstanding Dr. Tugwell.

He goes on to say:

The chief handicap to overcome is our allegiance to ideals that belong to an earlier industrial setting. In place of adhering to blind traditionalism, we should develop an open-minded experimental attitude toward social and economic institutions and problems.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Virginia yield to the Senator from Maryland?

Mr. BYRD. I yield.

Mr. TYDINGS. Assuming that Dr. Tugwell should not be confirmed, I take it he would still be Assistant Secretary of Agriculture. Does the Senator agree with that?

Mr. BYRD. I do.

Mr. TYDINGS. So that really there will be no change in the direction of the Department of Agriculture, I take it. The one thing before us is whether we should confer on him a new title and allow him to proceed with the same duties he is now performing.

Mr. BYRD. Mr. President, I am a new Member of the Senate, and I may not completely understand the obligations of a Senator, but there is another, much broader,



question, and that is as to whether we, as Members of the Senate, should give a vote of confidence to a man such as I have described. It is very much more important to me than as to whether he shall get \$2,500 more or \$2,500 less, or whether he shall have the title of Assistant Secretary or the title of Under Secretary.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. BYRD. I yield.

Mr. TYDINGS. I am not taking issue with the Senator; I am simply asking for my own information.

After all, one of the things which gives me considerable difficulty is that the act which Mr. Tugwell is carrying out in many characteristics is an act which Congress itself has passed. I do not like some features of the act, and the Senator and I, I believe, are in accord on that, and also as to some proposed legislation. But if Congress passes that kind of legislation, I do not think it would be fair to blame Mr. Tugwell for carrying it out, because I think the fault then is with the Congress rather than with Mr. Tugwell's policy, since we are giving him the power to do things and then blaming him because he does them.

I understand, however, that it is claimed that on certain occasions he exceeded that authority, and, of course, that is not what I am attempting to bring out here. If he exceeded the authority, that is a different matter. But the radical policies which are being put into effect in the Department of Agriculture are to a large extent the policies which Congress itself has adopted. Therefore, in fairness to Mr. Tugwell, if he is doing only what the Congress asked him to do, I do not want to condemn him for that, regardless of what his views may be.

Mr. BYRD. Mr. President, I trust the Senator from Maryland was absent from the Chamber when I made my speech, because if I have so confused the mind of the Senator as to my real objection to Dr. Tugwell I feel that I have been very neglectful of clear expression in this debate.

Mr. GORE. Mr. President, will the Senator yield to me?

Mr. BYRD. I yield.

Mr. GORE. The Senator from Maryland has observed that Congress passed the act and that we are criticizing Dr. Tugwell for carrying it into effect; and he makes the point, and I think properly, that the real responsibility rests upon the Congress. That is true with reference to the legislation to which he refers.

If we confirm Dr. Tugwell, we make the Senate responsible for what he has said and endorse his principles, his doctrines, and his philosophy that industry and the Constitution ought to be destroyed. If we confirm him, I think the Senator from Maryland will agree, then the Senate takes the responsibility; and that is the point, I think, involved in this matter of confirming or rejecting Dr. Tugwell, whether or not the Senate will accept that responsibility.

Mr. TYDINGS. Mr. President, I think there is a great deal in what the Senator from Oklahoma has said. There is no reflection on Dr. Tugwell as a man; there is no reflection on his character or integrity; there is a reflection on his views. But if those views coincide with the acts of Congress, then I think Congress ought to be blamed, and not Dr. Tugwell, for projecting those views into legislation.

Mr. GORE. Undoubtedly.

Mr. TYDINGS. I am going to stand with the Senator from Virginia in opposing the agricultural licensing bill, which Dr. Tugwell, I believe, advocates. I do not think I have voted for a great many of these revolutionary measures, particularly in reference to agriculture; but inasmuch as Congress has seen fit to pass them anyway, I do not want to blame Dr. Tugwell, even though he agrees with them, for doing no more than carrying out the will of Congress.

Mr. GORE. Mr. President, if the Senator from Maryland thinks that the legislation heretofore passed by the Congress goes as far as these addresses and these quotations, and involves those principles and involves those consequences, then I think his point is well taken. I think the Senator from Virginia is demonstrating that Dr. Tugwell's philosophy goes even further than Congress has yet gone.

Mr. TYDINGS. Mr. President—

Mr. BYRD. Mr. President, I should like to be permitted to conclude. I shall consume only about 10 minutes more.

Mr. GORE. I beg the Senator's pardon. I did not know the Senator was speaking under the limitation of time.

Mr. TYDINGS. Mr. President, I do not mean to say that I shall vote for Dr. Tugwell's confirmation, because, frankly, I do not yet know how I shall vote. What I mean to say is that I do not think Dr. Tugwell can properly do any more than Congress authorized him to do, and the difficulty we are up against is that Dr. Tugwell is doing probably better than we had hoped the things Congress has asked him to do. I think the fault is with Congress, and not with Dr. Tugwell. If, on the other hand, Dr. Tugwell has exceeded his authority, or done something which Congress has not told him to do, then that would be properly open to criticism.

Mr. WHEELER. Mr. President, if the Senator will yield, I want to make just one observation. Let me say to the Senator from Maryland that the charge was made that Dr. Tugwell had exceeded his authority. The statement has been made, I think on the floor of the Senate by some Senator, I do not recall by whom, that he exceeded his authority.

It was brought out at the hearing that, as a matter of fact, what Dr. Tugwell had done, or what the Department had done, rather, under some of the acts of Congress, had been questioned in the courts, and I think the record shows that in five instances out of six the courts upheld the Department, and held that what they were doing was perfectly proper. In other words, five courts held one way as against one court.

Mr. BYRD. Mr. President, I must decline to be interrupted further until I conclude.

I wish to disabuse the mind of the Senator from Maryland of the idea that I am voting against the confirmation of Dr. Tugwell because of what he has done in administering the authority given him by Congress. That would be a foolish position for any Senator to take, to say that we are voting against the confirmation of a man because he has done what Congress authorized him to do. To the contrary, I voted for the Agricultural Adjustment Act. I believed in the original principles of that act. I believed that there must be a temporary reduction of crop production in this country, brought about by a voluntary agreement with the farmers of the country. My opposition to Dr. Tugwell has nothing whatever to do with those things he was lawfully required to do as Assistant Secretary of Agriculture.

I contend here, as I have already said, that he has exceeded his authority, and that he is asking us to ratify illegal acts.

Mr. BANKHEAD. Mr. President—

Mr. BYRD. I refuse to yield further.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. BYRD. Mr. President, I contend that he has committed illegal acts which he is asking the Congress of the United States to ratify. That is my opinion. Other Senators may have other opinions which I respect, and I assume that they respect the opinion I have. But, Mr. President, I have tried to make it clear that my opposition to Dr. Tugwell is even deeper than that. My opposition to him is because I believe that an important official of this Government should have the attributes of complete courage, of frankness, and of complete honesty in dealing with the committees of Congress and with the Congress and with the people of the United States.

When Dr. Tugwell says that he did not believe in those things which he wrote in 1931 I say on my responsibility as a Senator that I think he did believe in them, and I have attempted to show here on the floor of the Senate by subsequent utterances and speeches which he has made, that he has referred back time and time again to those very things in his speech of 1931 which he repudiated.

It is inconceivable to me that a man can make a speech in which he says certain affirmative things and then say, "I did not mean what I said." I talked today to a man who heard him speak, and he said he believed that Dr. Tugwell

was advocating these particular policies of government which he enunciated in this address.

Mr. President, I am not voting against Dr. Tugwell because I believe him to be a dangerous leader of radical ideas in this country. Any man who has repudiated his ideas can never be a dangerous leader of any radical movement or any other movement in this land. I am voting against him—to emphasize it again—because I do not think he has that zealous regard for not exceeding the authority of the Department of Agriculture which I fully explained in my remarks here today. I am voting against him also because I do not think that he possesses that candor, that frankness which I think should be an attribute of any man who holds important office in this land.

In conclusion, Mr. President, I desire to read just one part of this famous speech of 1931. In it he says, speaking of this planned economy—this planned economy which he says means the abolition of business and the destruction of the Constitution of the United States:

We shall not, we never do, proceed to the changes here suggested all at once. Little by little, however, we may be driven the whole length of this road; once the first step is taken, which we seem about to take, that road will begin to suggest itself as the way to a civilized industry. For it will become more and more clear, as thinking and discussion centers on industrial and economic rather than business problems, that not very much is to be gained until the last step has been taken.

The last step being the abolition of business and the control of all property in the hands of the Government.

What seems to be indicated now is years of gradual modification, accompanied by agonies and recriminations, without much visible gain; then, suddenly, as it was with the serialization of machines, the last link will almost imperceptibly find its place and suddenly we shall discover that we have a new world, as, some years ago, we suddenly discovered that we had unconsciously created a new industry.

Mr. President, if Dr. Tugwell had admitted to the Committee on Agriculture that he held these views in 1931 I would not have voted against him for that reason. If he had admitted to the Committee on Agriculture that he believed in the soviet system of Russia, provided he would bring about the changes of our Government in a constitutional way, I would not vote against him for that reason, because I think that in this land of freedom every man should have the right to his own views and opinions. One of the reasons why I am voting against him is because he denied what he said then, because he has not the sincerity that I think a man should have who holds a high public office.

Mr. President, this new world of abolition of all business and destruction of the Constitution that Dr. Tugwell has spoken about is not coming in this American Republic. It is not coming so long as Franklin D. Roosevelt is President of this country. It is not coming so long as the Democratic Party is in control of the affairs of this Nation. It is not coming so long as the American people believe in justice and believe in freedom and still have regard for those fundamental principles of government bequeathed to us as a precious heritage through the blood and labors of those great men who gave us the form of government we have.

Mr. BLACK. Mr. President, I desire to state at the outset that, so far as I am concerned, I have no criticism to make of any Senator who opposes a Presidential nomination by reason of the fact that he is sincerely and honestly against the man who is nominated. I fully agree with the statement made by some of those who have talked with reference to Dr. Tugwell that it is the duty of a Senator to exercise his own judgment upon a confirmation; to vote for or against the man who is nominated upon his own judgment. That is what I intend to do.

It is my intention to vote for Dr. Tugwell because I am for him. I am for the views he has expressed, as I understand those views to be written in his books. I am for him because I believe that here is one man who is not content with looking backward, who for every thought he has in his mind is not bound down by slavish precedents. I am for him because he dared to express his unbelief in some of the theories which have been announced by theorists of the past, and who does not accept a principle of political econ-

omy which has been announced and which has been argued and which has been accepted in the past merely because it has been accepted in the past.

I agree fully with the statement made by the Senator from North Carolina [Mr. BAILEY] as to the manifestation of the remarkable intellect of Dr. Tugwell. It has been shown in every public utterance since he first delivered the address to which reference was made by the Senator from North Carolina.

It is a genuine pleasure to me to find that here is one man with brains who has gone forth from the little village in which he was born and with those brains has dared to follow his own course, when anyone who has come in contact with the so-called "financial barons" of this country, as many of us have in committees in the last year, would know that if Dr. Tugwell had concluded to use his brain in the business world instead of to utilize his brains to advance the progress of the peoples of the world, he would have been an outstanding figure in the business firmament of this Nation.

It has become customary, or it had become customary up to a few years ago, to point to the successful men as those who had accumulated the most money, and had manipulated the most stocks, and had served special privilege to such an extent that they could serve on anywhere from 10 to 100 directorships of business enterprises. When such a gentleman returned to the little village from which he went he was heralded as a great, outstanding figure.

Here is a man who has used his brain for the public good. I admit that it has not been customary to have brains to any great extent in the Government. I can fully understand the loud clamor of criticism which came from the small remnants of that discarded group which brought this country to the abyss in which it found itself in 1929, as they charged from time to time that the Government had committed the unpardonable offense of securing men with brains to serve in its departments. It is a new precedent. It is a strange and unusual thing. Therefore I can understand how the Senator from Iowa [Mr. DICKINSON] and the Senator from Indiana [Mr. ROBINSON], and various others, have from time to time charged the present administration with bringing brains into the United States Government's activities.

Mr. President, I desire to approach this matter from an entirely different angle than that from which it has been approached up to this time. I can readily dismiss the statement that Dr. Tugwell should not be confirmed because he does not have the necessary experience. He has shown that he has had sufficient experience. If it is required that a man shall have raised a prize calf, or had mud on his boots, he is shown to have had that experience. He is shown to have had experience on a farm.

I am not particularly interested in the statement which is made by those who are opposing Dr. Tugwell today and who apparently were opposing Dr. Tugwell before he went before the committee, that the chief ground of attack is because of insincerity. Those who opposed Dr. Tugwell last week in this body oppose him yet, I think very naturally; I think it is a natural result of two different schools of economic thought in America. It will be noted, if one will go back over the record of votes in the Senate since President Roosevelt came into power, that there have been two distinct schools of thought. There have been some who adhere to the idea that we must not depart to the slightest extent—

Mr. BYRD. Mr. President, does the Senator from Alabama refer to the Senator from Virginia?

Mr. BLACK. Yes; in part.

Mr. BYRD. The Senator from Virginia has supported 90 percent of the recommendations of President Roosevelt.

Mr. BLACK. Mr. President, I shall not go over a list of measures which have come up, and which constituted a departure, I admit, from our custom; but I recall very vividly when I had reached the conclusion that it was no longer possible for industry ever to absorb the unemployed who were walking the streets and highways of this Nation



and presented a measure to relieve that situation, the same arguments and the same group were opposing that measure that are opposing Dr. Tugwell. I make no charge about that; I think it was a perfectly natural opposition. I make no attack on the sincerity of those who hold those views. There have always been men of various views, and there always will be, and there have always been some who have clung to the idea that whatever had been was right and whatever was proposed, if it was a change, must be wrong. I think there is very clearly set forth the line of demarcation which exists in the statement that was read from the opinion of the Supreme Court by Dr. Tugwell in the hearing. I will read a part of it because, in my judgment, it constitutes the real basis for difference. I take my position with those who believe in progress, with those who believe that it is not necessary that we cling to every dim and musty tradition of the past if experience has demonstrated that those traditions have brought us to disaster or to disorder.

Let us see what the Supreme Court said, and which, I believe, is the basis for the difference between the conflicting views with reference to Dr. Tugwell. This is no longer the question of an individual; it has risen far above that. It is a question of two conflicting schools of thought. Mr. Justice Story said in 1816:

The Constitution unavoidably deals in general language. It did not suit the purposes of the people, in framing this great charter of our liberties, to provide for minute specifications of its powers or to declare the means by which those powers should be carried into execution. It was foreseen that this would be perilous and difficult, if not an impracticable, task. The instrument was not intended to provide merely for the exigencies of a few years, but was to endure through a long lapse of ages, the events of which were locked up in the inscrutable purposes of Providence. It could not be foreseen what new changes and modifications of power might be indispensable to effectuate the general objects of the charter; and restrictions and specifications, which at the present might seem salutary might in the end prove the overthrow of the system itself.

In other words, the idea of a flexibility of constitutional law to meet new conditions as new conditions arise from day to day, from month to month, from year to year, and from century to century.

What were the objects they had in mind? There can be no better place to ascertain that fact than from the reasons assigned by the Declaration of Independence which was written by those who said that they would not any longer remain subjects of Great Britain. They said it was to secure life, liberty, and the pursuit of happiness; to guarantee those rights; and that if the Government failed so to organize its powers—that is the language, “failed so to organize its powers”—as to carry out the safety and the happiness of the people it gave the right on the part of those who failed to receive the safety and happiness to shake off the shackles of the despotic government. That was one of the reasons given for the original beginning of the life of this Nation.

Who, looking back to 1929, will dare, in this presence or any other presence, to assert that the Government had so organized its powers as to effectuate the safety and the security and happiness of the individual citizen? It had not done so. There have been some, like Dr. Tugwell, who, in published statements, in spoken words and in written books, have been calling attention to the fact that the Government was not effectuating that purpose.

Mr. BYRD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Virginia?

Mr. BLACK. I yield to the Senator.

Mr. BYRD. Does the Senator from Alabama agree with the speech which Dr. Tugwell made before the Economic Conference which we have been discussing?

Mr. BLACK. I shall be delighted to answer the question of the Senator. As I interpret the speech made by Dr. Tugwell, and as I interpreted it when I asked the Senator from Oklahoma [Mr. GORE] to place it in the RECORD, I agree with it 100 percent.

Mr. BYRD. Does the Senator favor the abolition of business and the destruction of the Constitution?

Mr. BLACK. No, and neither does Dr. Tugwell; and I deny that any man has a legitimate right to draw such a conclusion from the speech. I do not question the fact that the Senator has drawn that conclusion. I recall that Dr. Tugwell said to the Senator that he hoped he had explained what he had said so that the Senator from Virginia could understand him, and the Senator from Virginia said he could not understand him. Therefore I would not attempt further to explain it to the Senator. [Laughter.]

Mr. BYRD. Mr. President, will the Senator yield for one moment further?

Mr. BLACK. I shall be very glad to yield and let the Senator read to me some more of the inquiries he read to Dr. Tugwell at the inquisition.

Mr. BYRD. Here is a sentence about which I asked Dr. Tugwell a question, and I should like to ask the Senator to explain the sentence to me.

Mr. BLACK. I think, if the Senator is going to ask me to testify, that he ought to give me the benefit of what he had when he had the radio over which to talk to the country and a big audience with the wit and brilliance and beauty of the old discredited view there to applaud his remarks.

Mr. BYRD. I appreciate the Senator saying that I am discredited.

Mr. BLACK. I was not talking of that; I was talking about those with ecstasy in their eyes as they came to that hearing with the idea that here was an opportunity to jab something into the new deal.

Mr. BYRD. Mr. President, the Senator has left the impression that I am somewhat obtuse.

Mr. BLACK. No, sir; I did not intend to leave such an impression.

Mr. BYRD. The Senator said I could not understand.

Mr. BLACK. I said that Dr. Tugwell said so.

Mr. BYRD. Here is a sentence about which I asked Dr. Tugwell a question:

Chance has substituted itself for the anthropomorphic interpretation of history as a causal sequence.

I will ask the Senator if he understands that?

Mr. BLACK. I thoroughly understand it, but I would not attempt to explain it to the Senator from Virginia. [Laughter in the galleries.] That effort has already been made in vain.

The PRESIDING OFFICER. The occupants of the galleries will maintain order.

Mr. BLACK. Mr. President, I have listened with great interest to each word spoken, I think, by the Senator from Virginia [Mr. BYRD] and the Senator from North Carolina [Mr. BAILEY]. I do not intend to attempt to go into detail as to the references made by the Senator from North Carolina to the questions propounded to Dr. Tugwell; it would take too long and be too tedious. It is evident, however, that there was a decided difference in interpretation between gentlemen, Members of this body, for whose judgment I have high respect, both of them, in my opinion, being absolutely honest in the interpretation which they place upon the remarks. That being true, why should we go into details with reference to each statement made by Dr. Tugwell? If we are going to do that, why not take this book [exhibiting]; why not add this book [exhibiting] to it; why not take the other two books written by Dr. Tugwell and take out a statement here and there and then try him on each separate word? That is not the way to determine his beliefs or the objective of a philosophic conception.

I will, however, call attention to one statement. I desire to call attention to a speech made in Philadelphia by Dr. Tugwell as to which the plain statement is made here that Dr. Tugwell in that address advocated the complete abolition of all private ownership of land. I do not deny that some may have interpreted it in that way. How they could possibly do so is beyond my comprehension. I want to read what he said; I read the statement upon which that assertion rests.

The Federal Government will, I believe, perform two functions with respect to our land in the future. It will directly hold and

administer public forests, parks, game preserves, grazing ranges, recreation centers, and the like, all areas which cannot at the time be effectively operated by private ownership.

Is there anything so strange or new or novel or startling about that statement as to justify any such assertions as have been made with respect to it? Let me read further:

And it will control the private use of the areas held by individuals to whatever extent it is found necessary for maintaining continuous productivity. Not only is it necessary for us to conserve our natural resources for the welfare of posterity—

I admit there are some who do not believe that—

it is also necessary to regulate the use of land resources for the welfare of the living generation.

I believe in that principle. I believe if we had begun sooner a system of conservation of our natural resources the country would have preserved for the use of the individual citizenship the great wealth which nature has bestowed upon us with such bounteous and generous hands.

Let us see as we go along what that means. In not a single statement does he limit his words to ownership. He mentions control. He said:

We have depended too long on the hope that private ownership and control would operate somehow for the benefit of society as a whole.

Is there anything strange or new or novel about that doctrine? Let someone go next door to the home of the Senator from Virginia [Mr. BYRD] and attempt to establish a soap factory, and it will not take the Senator long to go into the courts in order to abate a nuisance which interferes with his peace, comfort, and happiness. Is he, as the owner of that particular property, entitled to any more protection than the millions of American men and women in the Nation if he operates his business in such way as to interfere with their peace and their happiness?

Let anything of that kind happen and we would find a man going directly to the courts. Does he have the complete control of that land which he owns? If that were true, would there have been any zoning laws upheld? If a man had the complete and unrestricted right to the unrestricted control of the land to which he happens to have title in his name, does that mean that he may use that land in such way as to interfere with public happiness or to destroy the hope on the part of his Government to so organize its affairs that it will effectuate the happiness and safety of the people?

What Dr. Tugwell said was "ownership and control." If he had intended that he wanted to do away completely with private ownership of land—and there cannot be a word found in anything he ever wrote so far as I have been able to discover to indicate that he did so desire—I imagine that language would be presented here; but it is not. He denies it.

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BLACK. I yield.

Mr. BAILEY. I invite the Senator's attention to this sentence. The Senator said the language would be here. Let us see if it is not here.

It will control—

"It" refers to the Federal Government.

It will control the private use of the areas held by individuals to whatever extent is found necessary for maintaining continuous productivity.

Mr. BLACK. The Senator is correct.

Mr. BAILEY. I am not through. That is one sentence. In the same address he said:

The area of land in production would be sufficiently limited—

Mark those words "sufficiently limited" to so many acres, of course by the Government—

so that it could be operated at its utmost efficiency without flooding markets and destroying exchangeability. Such a system would envisage a commercial agriculture made up of the most efficient farmers operating the best of our lands; with the remain-

ing lands being used in other ways, and the remaining farmers devoting their time to other occupations.

That is the control about which I am talking.

Mr. BLACK. I am perfectly willing to have the Senator talk about that control.

Mr. BAILEY. The Senator said if Mr. Tugwell used the language which gives this interpretation, the language should be here. Let me read finally and then I shall take my seat. In the same speech he said:

Private control has failed to use wisely its control of land. The post-war decade of low farm incomes, and the subsequent period of the industrial collapse, now makes us realize that the use which is made of the land is of immediate and vital interest to us all.

There are the three statements, each one of which repudiates private control, private use; each one of which states the policy of limitation; and one of which goes so far as to say that the Government proposes to divide the farmers of the country according to its judgment into efficient and inefficient, and that the inefficient will be driven from the land.

I should like to have the Senator subscribe to that and say those are his sentiments. He is endorsing everything Dr. Tugwell said. Let him endorse that.

Mr. BLACK. I am endorsing what Dr. Tugwell said, not what the Senator from North Carolina said.

Mr. BAILEY. I am asking the Senator from Alabama to endorse what I read from Dr. Tugwell's own statements.

Mr. BLACK. I am not endorsing the Senator's interpretation of what Dr. Tugwell said. Insofar as the statements which I have read and which he read are concerned, I endorse them. I am endorsing the idea that the Government as a government has undertaken to establish subsistence homesteads over the country. There is no statement made here that the Government is going to do away with the idea of private ownership of land. It is my judgment that not even by the wildest stretch of the imagination nor even the fancies of the most skillful logician, would anyone be entitled to reach such a conclusion, though the Senator from North Carolina does. I do not. That is where we disagree and where, in my judgment, most of those who will read Dr. Tugwell's speech with care, reading it all—I could take only a part of it and reach my conclusion, but reading it all and reading the system of philosophy expounded by Dr. Tugwell—will ascertain that he has never yet advocated that which Henry George advocated and which they accuse him of advocating, doing away with private ownership of land.

Dr. Tugwell does call attention in this very speech to Henry George, but he does not approve the conclusion reached by Henry George. I desire to say here and now that if that man, who contributed so much with the eloquence of his pen toward presenting to the people of the Nation the paradox of increasing poverty in the midst of increasing wealth, could be here subject to confirmation today, it is my judgment that the same division would occur, because it would be a division of those who believe on the one side in the conceptions of government, and those who believe on the other side.

I am going to show in a few moments, from what Dr. Tugwell has actually said, why in my judgment the Pennsylvania Manufacturers Association and the other associations of the country, which have waxed fat off the wealth which has been produced by people other than themselves, are opposed to Dr. Tugwell and to anyone who dares to believe as Dr. Tugwell believes.

Mr. BANKHEAD. Mr. President, may I ask the Senator if he refers to the Grundy organization?

Mr. BLACK. It is my understanding that is the Grundyized organization of Pennsylvania. There is nothing surprising in their opposition to Dr. Tugwell. Why should there be? In everything he has spoken, in every word he has uttered we find him striking sledge-hammer blows against inordinate profits, against excessive dividends, against watered stocks, against low wages, against long hours, against sweatshops, against working children in factories. There is nothing surprising that those who believe in the



old doctrine of "Let well enough alone", supported mainly by those who are not suffering from the system, should lead in this Nation a fight against every individual, either in high place or low place, who stands for the principle of economic justice.

This man Tugwell has brains. He has been charged with it. He has not devoted those brains to the service of corrupt privilege and corrupt business, and therefore he is dangerous. It is such men as Dr. Tugwell who are dangerous—dangerous to what? Dangerous to child labor, to excessive profits, to concentrated wealth in the hands of people who did not earn it, to special privilege. He has dared to stand out not only for these things, but he has actually written a book, which the Senator from Iowa called to the attention of the Senate a short time ago, standing as he naturally would stand on the side of the old conceptions of government—a book which may go into the schools and which stands for the idea of social security.

He has dared to raise his voice in favor of old-age pensions. He has dared to announce that where we have more people than we can absorb in our industrial system, the old man tottering on the brink of the grave shall, instead of being cast out into the poorhouse or to become an object of charity, be taken care of with an old-age pension. Treason! Treason! Let him be taken to the stake! Let the inquisition be turned upon him!

Not only that; Dr. Tugwell has dared to assert in this book that he does not believe people should work any longer hours than is necessary for the purpose of producing the wealth which they need. Treason again!

He has dared to assert in this book that he believes in unemployment insurance. Terrible treason! How much better it would be, his critics think, if we could continue to feed the people on charity, to undermine their morale, to weaken their strength of character, rather than to provide a scientific system of giving them unemployment insurance at a time when they face destitution and poverty. Why, this man is an enemy to the existing system. He has actually dared to assert in this book—which the Senator from Iowa [Mr. Dickinson] is afraid might be seen by a school boy or a school girl, some of whom perhaps even in the Senator's own State are undernourished and underfed, many of whom, according to the statement in this book, taken from Government statistics of a Republican administration, are living on less than half the annual income which is necessary to take them out of the borderline of the lowest and most abject destitution and poverty—this man has dared to assert in this book that those farmers' children ought to have more. He has dared to assert in this book that people who are sick ought to have medical treatment. Treason! High treason! Treason against the Constitution! And because, forsooth, in addition to that crime, he waited 3 days before writing a letter to a Senator, he has added another item of guilt, and for that he must be crucified.

Those are the reasons. All we have to do is to read this book. I do not want to be misunderstood, however. There are two groups, in my judgment, who are opposed to Dr. Tugwell. I do not mean to say that all of those—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BLACK. I do.

Mr. BAILEY. Does the Senator, realizing that there are two groups, recognize that each of the groups is sincere?

Mr. BLACK. I had just started to state that. If the Senator will wait, I will complete the sentence, and then I do not think he will want to ask me the question.

There are two groups fighting Dr. Tugwell, in my judgment. One is the group represented by the type of the Pennsylvania Manufacturers Association.

Mr. BAILEY. May I ask the Senator whether he intends—

Mr. BLACK. I desire to finish. Let me finish my statement. I do not yield until I finish my answer to the Senator's question.

Mr. BAILEY. Very well.

Mr. BLACK. There is another group who cannot brook change. They are fearful of it. They represent the type which has always believed that that which has been working fairly well will continue to work. They believe in what the Senator has called, in the controversy with the Senator from Nebraska, the "laissez faire doctrine." They believe now, as they believed in the past, that if we do not leave each individual to work out his own salvation individually, 100 percent free from any kind of Government protection, we are doing wrong, and that the man who would seek to change that system is not a friend of the great masses of the American people.

In my judgment, the members of this group are equally sincere with those who take the other viewpoint—that if a system as it has operated has proven that it brings in its wake hunger, destitution, misery, poverty, undernourishment, illness, suicide, mental undernourishment, destitution, and death, it calls for changes, bold changes; not revolutionary changes, but bold changes, and, in this Government, within the Constitution, which the Supreme Court has declared to be sufficiently flexible to meet the various developments of an economic society.

Those, in my judgment, are the groups represented in the opposition to Dr. Tugwell.

Mr. BAILEY. Mr. President, may I now interrupt the Senator from Alabama?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BLACK. I shall be very glad to yield.

Mr. BAILEY. Does it occur to the Senator that he has taken a great deal upon himself in undertaking to divide those who may differ from him into groups and to classify them?

Mr. BLACK. I did not anticipate there would be any objection. If the Senator objects—

Mr. BAILEY. No; I did not object. I just asked the Senator if that ever occurred to him.

Mr. BLACK. The Senator had not suggested it before. Since he has suggested it, I will state that I see nothing whatever improper in it. I think it is perfectly right, because I think there are different groups opposing Dr. Tugwell, opposing the general idea which Dr. Tugwell represents.

Mr. BAILEY. And the Senator thinks he is competent to classify this opposition into groups to suit himself and to characterize it?

Mr. BLACK. I may not be as competent as the Senator from North Carolina. I will admit that I am not.

Mr. BAILEY. The Senator from North Carolina, at any rate, has not undertaken it.

Mr. BLACK. The Senator from North Carolina, at any rate, undertook to characterize Dr. Tugwell in a way which in my plain and honest judgment was not justified by the facts; but I have no criticism to make of the Senator, because I think he believes it was justified.

Mr. BAILEY. Is there any analogy whatever between the classification of Dr. Tugwell and undertaking to state his views and the present effort to place the opposition to Dr. Tugwell in groups according to the Senator's conception and state their characteristics?

Mr. BLACK. If the Senator objects to that, and thinks that he is placed in either group, I am perfectly willing to admit that he belongs to neither; but I desire to go on now with my argument, because there has been too much diversion in this matter from the real point at issue.

Mr. BAILEY. Mr. President—

Mr. BLACK. The point at issue, as I see it, is this, insofar as Dr. Tugwell is concerned:

Dr. Tugwell as an individual is not of great importance in this discussion. Dr. Tugwell, in my judgment, is a symbol. He is a symbol representing a specific idea of thought and political philosophy. He is a symbol which many believe to represent a philosophy of government which is destructive.

Mr. DIETERICH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Illinois?

Mr. BLACK. I yield to the Senator.

Mr. DIETERICH. Does the Senator mean that a vote on this nomination would indicate whether or not a Senator embraced all the ideas of Dr. Tugwell or is he simply using him for illustration?

Mr. BLACK. No; I do not embrace all his ideas.

Mr. DIETERICH. The Senator stated the matter about that strongly, however.

Mr. BLACK. I do not embrace all his ideas. There are some things he has written in his books that I do not embrace.

Mr. BORAH. Mr. President, does the Senator think that a vote for Dr. Tugwell necessarily endorses any of his views?

Mr. BLACK. No; I do not. I state that so far as I am concerned I am in perfect harmony with the general objective which I gather Dr. Tugwell has in mind from the books of his that I have read; but that is not necessarily an endorsement, and I could vote for him if that were not the case. I think Dr. Tugwell represents an inquiring mind. We need more of them. I think this Government would be in far better condition if we had more in the various departments.

Mr. WHEELER. Mr. President—

Mr. BLACK. I yield to the Senator from Montana.

Mr. WHEELER. Let me say to the Senator that the opposition to Dr. Tugwell before the committee was based almost entirely upon statements which he made in 1931, with reference not only to what he said his views were but the interpretation of those views as expressed by those who were cross-examining him.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. LONG. I think where the Senator from Montana, and I might almost include the Senator from Nebraska and the Doctor himself, fail to make their case stronger, is in not saying that he is a genuine, 100-percent liberal, and dissatisfied with the way things are getting along, and not equivocating or apologizing for it. Come right down and hit it on the head.

Mr. WHEELER. I think he made it pretty plain that he was dissatisfied with things as they existed in 1931.

Mr. LONG. Why 1931? What is the difference between 1931 and 1934?

Mr. WHEELER. In my judgment there is considerable difference between 1931 and 1934. The Senator may disagree with that, but I think we have made considerable progress since 1931; but Dr. Tugwell was speaking in his book of the conditions that existed in 1931. I do not think there is a Member on the floor of the Senate at the present time but who, looking back to 1931, must come to the conclusion that we were at that time right on the brink of destruction, not only of the economic system but there was a question in the minds of a great many people as to whether or not this Government of ours could stand up under the existing conditions.

Mr. WAGNER. Mr. President, will the Senator from Alabama yield to me?

Mr. BLACK. I yield.

Mr. WAGNER. I wonder whether the Senator will permit me to read, right at this point, because it is in line with what the Senator is saying, an extract from one whom I believe to be the greatest constitutional lawyer since John Marshall's time, Mr. Justice Holmes, in answer to the suggestion that those who preach some change in our economic system are necessarily revolutionists, are for the abolition of government, and are not faithful to the Constitution, or our constitutional form of government. He said, in the case of *Lochner v. New York* (198 U.S. 45):

But a constitution is not intended to embody a particular economic theory, whether of paternalism and the organic relation of the citizen to the State or of laissez faire. It is made for people of fundamentally differing views, and the accident of our finding certain opinions natural and familiar or novel and even shocking ought not to conclude our judgment upon the question whether the statutes embodying them conflict with the Constitution of the United States.

I thank the Senator.

Mr. BAILEY. Mr. President, will the Senator from Alabama yield to me?

Mr. BLACK. I yield.

Mr. BAILEY. I regret to trouble the Senator. I will be content to say that I deny the right of the Senator from Alabama to classify me in any way whatsoever. That is beyond his capacity, and if it were within his capacity it would be beyond his right. I belong to neither of the groups in question, and I wish that to go into the Record, and I will ask the Senator whether he undertakes to put me in any group.

Mr. BLACK. Mr. President, I am perfectly willing to admit that the Senator stands alone, with no group on earth; has in the past, and will hereafter; that he is an individual, who is never with any group.

Mr. BAILEY. Mr. President, I wonder if the Senator thinks that is a candid and straightforward answer to the question I asked him, which was whether he undertook to maintain the right to put me in a group and if he were now trying to do so.

Mr. BLACK. Mr. President, it is my judgment that attempting to bring out the maintenance of a right here is as far beside the question with reference to Dr. Tugwell and his confirmation as were many of the questions which were asked before the committee.

Mr. BAILEY. I agree to that.

Mr. BLACK. I am maintaining here that, in my judgment, Dr. Tugwell should be confirmed. I believe that he should be. I do not subscribe to the idea that anything he has said or done should prevent his confirmation.

The question was asked as to whether or not Dr. Tugwell believed in certain things. A great deal has been said about Dr. Tugwell's discussion of the N.R.A. In order to show that Dr. Tugwell is no conformist with reference to everything that is done or proposed I desire to read a paragraph from his book published in 1934. This is another one of the statements made by Dr. Tugwell with which I agree, and my vote will so show.

He said:

The partial suspension of the antitrust laws is not unlikely to promote the further concentration of the control of wealth. It remains to be seen whether governmental supervision of the type provided for in the N.R.A. will make for more equitable sharing of the gains which may result from intensifying cooperation among business men.

I call attention to that paragraph for this reason: It is exactly in line with the complete philosophy as expressed by Dr. Tugwell from the beginning to the end of each one of his books—that what he desires is to bring about those improvements in the operation of our governmental system which will reduce the inordinate and excessive profits of monopoly and greed and will increase the part of the national income that goes to the farmers and to the laborers in the mines and the factories all over this Nation.

Mr. President, I state that in my judgment the widespread hue and cry which has been heard in this country for the past 3 or 4 months against the so-called "brain trust" is because Dr. Tugwell is a symbol of a line of honest, constructive, inquiring thought which will tend to prevent that which has been happening in the past, namely, the concentration of the wealth produced by all of the people of this Nation, and the prevention of the distribution of that wealth into the hands of those who necessarily must have it in order to maintain the purchasing power of our economic system. Dr. Tugwell's whole life, his writings, his books, have been along that line.

I do not expect that those who entertain the old idea that we must continue as we were would approve of Dr. Tugwell's ideas. I recall very vividly when the Senator from Iowa [Mr. DICKINSON] rose on the floor and took up this book of Dr. Tugwell's in order to charge him with all the heinous crimes which were being flouted around in the public press. If it were not Dr. Tugwell they were after, it would be someone else entertaining exactly the same ideas. I refer now to those who have been insistently and persistently and publicly attacking the so-called "brain trust." That group does not want a man with brains in



the Government service if he has a place of responsibility where he can aid in directing affairs in such a way as to benefit the average man.

This is not the first time that people have clung to outworn ideals. They have followed that course in the history of every country in every age of the earth.

There was a time when it was considered heathenish in a certain country to take a bath. In that very country it was a crime for a man to have a bath tub in his house. It was a crime in the same country to attempt to cure the dreadful disease of smallpox, and those who dared, with inquiring minds, to find out whether or not smallpox could be cured, were treated as public enemies.

Mr. President, in that same country there was a terrible odor in the streets of the city of Madrid, and an effort was made to bring about a sentiment that would result in the removal of the odor. Those who believed in adhering to the old traditions and ideals said, "Our ancestors lived through this odor. It would be sacrilegious to them to attempt to change it." Then they submitted the question to the medical profession of the city of Madrid, and they very promptly returned a report that there was no use trying to improve the odor, that their ancestors had lived satisfactorily through it; and, besides, it showed that the air was heavy, and if the air was heavy to carry, perhaps there would not be so much of it carried to injure the people if it had the odor in it.

Mr. President, there was a time in this country when the same type of mind which has been attacking the so-called "brain trust" said that it was contrary to the Christian religion to hold a meeting in a church with the idea of carrying to the people the thought that trains could run at the tremendous rate of 12 miles an hour. Nothing was said about it in the Bible, they contended, and if it had ever been intended that man should travel at the tremendous rate of 12 miles an hour, it would have been mentioned in the Holy Book. So they denied people the use of the church to spread that idea.

The same type of mind that has been attacking the so-called "brain trust", using Tugwell simply as a symbol, and beating their breasts about patriotism, have patriotism for privilege. They do not want a single movement made that would take away the ill-gotten gains from a manipulator or manager.

Therefore, they talk to us about the old economic concept of the niggardliness of nature; that we are trying to defy economic law because an economist a long time ago said the whole thing was built up on the idea of the niggardliness of nature—in a country where we have indicted the producers for producing so much, and people have been left hungry and cold and without shelter.

Mr. President, as I view this matter, it is simply a part of the age-old problem of progress and reaction. A system has been permitted in this country which was lauded to the skies by those who were in control of the machinery of government, which was starving the people slowly to death. And now there are a few men with ideas, such as Tugwell and others, who dare to point out that something must be done if we want to preserve the system of government under which we live. I believe that the men who desire to correct these abuses are the real, genuine friends of our governmental system.

I do not find a single word in any of his books which to me indicates that he desires to do away with the American system of government. I do find that he desires to make it useful to all the people, instead of concentrating its benefits into the hands of a small minority of people. I do find in his books that he takes the position that so long as we have plenty, so long as we produce enough to feed the people of this Nation, this Government is failing in its highest function of government if it fails to make such corrections of existing abuses as will bring a better degree of happiness, security, comfort, and life to the millions of people who have been undernourished under the old system championed by those who have been so bitter in their attacks upon the so-called "brain trust."

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I do find that this man has looked into the faces of the people and has seen in them the gaunt look of fear. He has witnessed the dread specter of insecurity of life following them from the cradle to the grave. I do find that he has seen, and that in a country teeming with all the bounties of nature, men and women compelled to walk through life knowing that under the present system the chances were nine out of ten that it would be impossible for them to accumulate enough to take care of themselves in the declining years of their life. I see that. And when I see that, I also see that a man has been selected to perform a public service, who stands for the millions and millions of men, women, and children in this country in the factory, on the farm, in the mines, wherever men and women toil, and who desires, and dares to express the desire, that the system of Government shall be operated so that not only a few may have the luxuries of life, but that the great wealth produced by labor combined with the bounty of nature shall be paid as a reward to those who produce it, that the gaunt specter of insecurity shall be taken from them.

Mr. LONG. Mr. President—

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BLACK. I yield.

Mr. LONG. I do not rise to disagree with the Senator. I agree with everything he says. That is why I asked the question a minute ago about the Senator from Montana. I agree with everything the Senator has said, and if Mr. Tugwell's inclination is toward that direction the more glory to him. But the point I have been trying to make is that we have more wealth concentrated now than we had in 1931. We have more income in the hands of the big men, proportionately speaking, according to Mr. Sterns' statistics, than we had in 1931. I was hoping that instead of apologizing on the ground that the whole thing was over now—

Mr. BLACK. He did not say that. He distinctly said the whole thing was not over. He distinctly declined to repudiate his speech. I have not previously said anything about that. But read the evidence and it will be found what he said. Time after time he said "No; I do not repudiate a single word." He did not repudiate it.

Mr. BAILEY. May I interrupt for the sake of having the RECORD correct?

Mr. BLACK. I yield.

Mr. BAILEY. He did say that he did not repudiate the speech, but at the same time he stated the speech did not state his views in any respect whatever, but was merely the observations of the reporter. That was a repudiation so far as those were concerned who thought the speech expressed his views. He simply stopped on one side of it and said, "Why, that is not what I meant at all. I was talking about what other people were saying."

Mr. BLACK. Time after time the Senator asked him the question, "Is this your belief?", and he said "Yes." He stated time after time that a part of what the Senator read to him was his belief.

Mr. BAILEY. The Senator will not deny that he began, in answer to the question by Senator BYRD, by saying that the speech did not express his views at all; and that he did admit, in response to my examination, that notwithstanding that denial it did express his views. That was the contention I made yesterday.

Mr. BLACK. Mr. President, I stated in the beginning that I declined to go into the details of the various questions which were asked, except to say that I believe a fair reading of the record will show that Dr. Tugwell did not repudiate the views I have stated. On the contrary, the record is filled with statements which bear out that what he said in his books represented his viewpoint. He called attention several times to those books and said that they represented his viewpoint. In response to a question he stated that there were some parts of the speech which were academic discussion. There is nothing wrong with its being an aca-

demic discussion. Such things happen at various times in every man's life. It is exactly the same as being called upon to discuss one side of a controversial issue in a debating society. Does that always mean that every argument a man puts forth represents his view? Dr. Tugwell was making a speech at a meeting of an economic society. So far as I am concerned, I do not intend to be led into any vain discussion of whether he said he believed in this sentence and he did not believe in the other sentence.

It is enough for me to know that what he stated, that what he had in this book, represented his views—the very book that the Senator from Iowa [Mr. DICKINSON] has condemned him for because he said it would go into the public schools. I find on each page of it the reason why the Manufacturers' Association of Pennsylvania, the Grundyized association of that State, ought to fight Dr. Tugwell, as it is doing in the propaganda which the Senator from Indiana of the accuracy of the RECORD?

Mr. BAILEY. May I interrupt the Senator for the sake of the accuracy of the RECORD?

Mr. BLACK. I shall be glad to have the Senator insert anything he desires in the RECORD.

Mr. BAILEY. This is precisely responsive to the statement that the Senator made that Dr. Tugwell did not repudiate his speech in the sense of saying he did not mean it, that it was not his language. Let us read the record:

Senator BYRD. \* \* \* Dr. Tugwell, I will frame my question so as to suit the Senator from Nebraska, I hope. It is this: In my judgment no man can read your speech that you made to this economic society without believing that you believe in the things that you then said; and I ask you now: Do you believe in the policies of government as you outlined them and enunciated them in that address?

Mr. TUGWELL. I would like to make it perfectly clear to Senator Byrd, if I can, that I did not enunciate any principles of government in that speech in which I believed. I was trying to analyze the situation as I saw it.

There is the point. The Senator from Alabama now is endorsing the speech and adopting its principles, and with that I have no quarrel, and I respect him for his candor and his courage. But that is precisely what Dr. Tugwell did not do.

Mr. BLACK. Mr. President, there has been a great deal of discussion of that. I will simply call attention and say that if Senators will look on pages 146 and 147 of the record they will find several of the numerous instances in which Dr. Tugwell said that that did represent his views. It is true that he did state that the part with reference to the Russian plan, the theory they had, did not represent his view, and there is nothing in it which indicates to my mind that it did.

I have Dr. Tugwell's book before me. Let us see whose friend he is. Let us refer to a few of the subjects in the book. This book was published in 1934. We find in it arguments on the bad condition of physical life brought about by unwholesome food. We find the figures from Government statistics of those who are undernourished on the farm. We find what a low income they are receiving in comparison with that to which they are entitled as a matter of right. We find his discussion of the terrible effects of inadequate clothing. We find his discussion of the terrible effects of inadequate housing. We find his discussion of the terrible effects of unwholesome food on men, women, and children. We find his discussion of the terrible effect of unsanitary conditions. We find his discussion on page 56 of the terrible effect of inadequate medical treatment. We find on pages 57 and 58 his discussion of the terrible effect of overwork on women of the farm. We find his discussion of the terrible effect of the poverty that exists.

It is all right, Mr. President, for those who have not felt and do not feel the sting of poverty and who do not endure the pangs of hunger and who have had a good shelter over their heads to complain about a man who dares to raise his voice for those who suffer from hunger and want. Here is a man whom the Senator from Iowa has condemned and proclaims as a public enemy, because he has written a book setting out the terrible effects of poverty brought about

by an unbalanced economic situation in America. What did he do further?

Mr. WAGNER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New York?

Mr. BLACK. I yield.

Mr. WAGNER. I suppose that the opponents of Dr. Tugwell and some of the economic theories which he advocates might also include many of the State legislatures and the Governors of States that have in the past enacted laws particularly to shorten the hours of labor of women who work in factories and to prohibit their working at night at all?

Mr. BLACK. Of course, those legislatures and Governors ought to be condemned, too.

Mr. WAGNER. And those who have fought to prevent child labor I should say ought also equally to be condemned?

Mr. BLACK. Oh, yes; if Dr. Tugwell is to be condemned by reason for standing for old-age pensions, it is necessary to condemn the voters of the several States who voted last year to inaugurate such a system.

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BLACK. I yield.

Mr. WHEELER. Let me say to the Senator that the State of Iowa, from which comes the distinguished senior Senator [Mr. DICKINSON] who complains about Dr. Tugwell, is suffering at the present time probably as much as any State in the Union by reason of the very economic ideas which Dr. Tugwell condemns.

Mr. BLACK. Yes. Here is another thing that the senior Senator from Iowa does not want to get to the school children of Iowa—the regulation of hours, and so forth, found on page 214:

We have already referred to monotonous or unpleasant working conditions in city occupations that make necessary some limitation of the hours required. Short hours are needed in factories where noise, motion, and monotonous effort abound, and especially those with poorly lighted and poorly ventilated rooms.

That is a terrible thing to tell the children of the State of Iowa; it ought never to be known that here is a man who dares to favor short hours in factories in order to relieve the monotony of factory life.

The "effect of depressions on hours of work": he tells about that. That is a terrible thing to get to the school children.

On page 216 he tells of the evil of child labor. That is a terrible thing to send out to the school children of the State of Iowa. Why, here is a man who dares to express views to the people of the State of the Senator from Iowa in opposition to child labor in factories and to state that he is in favor of short hours for people who toil from morning until night as they eke out in the factories of this Nation a bare existence under this old, discredited system.

Here is another statement that it is terrible to get to the school children:

The welfare of the worker is the most important index of the success of the productive process.

That is an awful charge to make. Here is a man who puts the happiness of the worker first. Is that treason? He puts the happiness of the worker upon the same divine basis as heretofore has been put the happiness of those who had profits, more profits, more profits, and more profits. He dares to assert that human rights are entitled to consideration the same as property rights. A terrible man! An awful doctrine to send to the children of the State of Iowa.

Here is an argument against fraudulent promotion schemes. A terrible thing that! The State of Iowa evidently has never had any fraud committed against its citizens; evidently nobody ever sold them any bad stock out in the State of the senior Senator from Iowa; and he does not want them to find out that there is a man who dares to assert that such things ought to be stopped, and who even dares to say that the manipulation of the stock exchange must be curbed. A terrible crime that! He is wholly unsuited for governmental position.



He says we need relief measures immediately. He declares in this book, and declared before the committee, that the complaint which he was making back in 1931 was with reference to relief measures. On that occasion he immediately followed Mr. Harriman with a speech. By the way, I also have Mr. Harriman's speech. It seems that the president of the National Chamber of Commerce actually—think of it; holding that exalted position, high above those who act as representatives of the working people—dared to say something with reference to planning—I mention it with a whisper—just before Dr. Tugwell spoke; and then Dr. Tugwell came along and said that some relief measures are necessary; and he said in the hearings before the committee that what he saw back there was millions of people starving and the Government doing nothing for their relief. Another terrible crime.

Here is a chapter which ought to delight the heart of the Senator from Louisiana [Mr. LONG]. It is on pages 402 and 403, and the title of it is, "What Governments Do to Distribute Incomes Wisely." He actually dares to intimate here—he treads on such sacred ground as to indicate that some of the people have entirely too much, while others have entirely too little. That is another thing that it would never do to have get to the school children of the State of Iowa.

Mr. LONG rose.

Mr. BLACK. Perhaps the Senator from Louisiana would be willing to have it go to the school children of Louisiana?

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BLACK. I yield.

Mr. LONG. I just want to say, "amen." [Laughter.]

Mr. MURPHY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Iowa?

Mr. BLACK. I yield.

Mr. MURPHY. In reference to the State of Iowa—

Mr. BLACK. I was not referring to the junior Senator from Iowa; I was referring to the speech made recently by the senior Senator from Iowa [Mr. DICKINSON] with reference to Dr. Tugwell.

Mr. MURPHY. I understood the Senator to have made that reference. I assure the Senator that there are other outlets than the senior Senator from Iowa for the school children of Iowa. They have the benefit of all the views that the children of any other State have, and the people of Iowa have had opportunity for a free decision on the merits of this controversy as to the confirmation of Dr. Tugwell.

Mr. BLACK. The Senator is absolutely right. The fact that they voted as they did in 1932 shows that they were not satisfied with the old conditions which they would not restore. They did not express their approval of the system that was undernourishing the children of the State of Iowa and the children of other sections of the country.

Mr. MURPHY. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from Iowa?

Mr. BLACK. I yield.

Mr. MURPHY. I will state further that at a primary election held a week ago Monday in Iowa the issue was clearly presented between a progressive candidate for the Republican nomination for Governor and a so-called "conservative" or "reactionary" candidate, as alleged by the progressive candidate. The progressive candidate for the Republican nomination for Governor and a so-called "con-he advocated, and having done that, he said, "Now, I will tell you some of the things I am against—I am against the Mellon-Hoover-Mills control of the Republican Party."

Mr. BLACK. Did he mention the Senator from Iowa?

Mr. MURPHY. He mentioned the Senator from Iowa.

Mr. BLACK. Does the Senator mean the senior Senator from Iowa [Mr. DICKINSON]?

Mr. MURPHY. I do.

Mr. BLACK. He did that in the Republican primary?

Mr. ROBINSON of Arkansas. What! Does the junior Senator from Iowa mean to say that the Republican nominee for Governor this year repudiated the Republican Senator from Iowa [Mr. DICKINSON] and said that he was against him and hoped to accomplish his defeat?

Mr. MURPHY. He condemned the senior Senator from Iowa as expressing the school of thought of Mellon-Hoover-Mills.

Mr. ROBINSON of Arkansas. Perhaps the Senator from Iowa will not be so bitter in his condemnation of Mr. Tugwell. [Laughter.]

Mr. DICKINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Iowa?

Mr. BLACK. I yield.

Mr. DICKINSON. If the Senator from Alabama will quit before 3 o'clock, I hope to be able to express myself on this subject.

Mr. BLACK. We want to give the Senator that privilege; it ought never to be missed.

Mr. ROBINSON of Arkansas. The more he expresses himself the more the Republican nominee for Governor of Iowa will condemn him. [Laughter.]

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the junior Senator from Iowa.

Mr. MURPHY. The issue so presented between those candidates was decided by the Republican electorate, which nominated the progressive candidate for Governor for the Republican Party. I think the progressive candidate so nominated by the Republican Party in Iowa would unhesitatingly endorse Dr. Tugwell.

Mr. BLACK. Now I read the last lines of Dr. Tugwell's book:

In place of adhering to blind traditionalism we should develop an open-minded experimental attitude toward social and economic institutions and problems.

That is the crime he has committed, if it is a crime. He has dared to say that he is willing to shake off musty and outworn dogmas, coming from the minds of political theorists of the past, and to look boldly into the future. He has dared to do that on behalf of the millions of undernourished boys and girls of this Nation and the underprivileged men and women of this Nation, under a system of letting everything go exactly as it was, which, never daring to move forward into the visions of the future, was starving to death mentally, spiritually, and physically the people of this Nation.

In 1932 the people spoke. They declared themselves in favor of the new and bold political philosophy announced by this man. I have read his evidence. I see no repudiation there. If I could see repudiation there, I am frank to state that I would lose my sympathy for the cause which he has so boldly advocated, but I do not. I see him there as he fences with these gentlemen who were against him when they went there, and he states time after time, "I repudiate nothing." It is true he said that he did not intend to approve planning as adopted by the Russian Government, but he did not deny that he wanted this Government to look forward to the future and chart a way to relieve destitution and to ameliorate the hard conditions of the poverty-stricken people of this Nation. That man stands for that for which the present administration is fighting, and, as a result, he has been attacked in the press of this country as a part of the "brain trust."

We cannot be deluded and we cannot be deceived. We know while there are some against him because of other reasons; there are those who are against him by reason of the fact that they think he stands for the principles enunciated by the administration, the principle of taking care of those who most need care.

Mr. President, I am glad to have this privilege of stating that I am not for Dr. Tugwell simply because the President appointed him. I am for him because I believe he represents a school of political thought of which the country has long been sorely in need. I believe he stands for a school of

political thought which will not deify money and property to the extent of adding to the destitution and human misery of the men, women, and children of the United States who produce the wealth which the people themselves are entitled to have. I believe Dr. Tugwell stands as the representative of the new American thought; that thought which places not property above anything and everything, but places first the happiness and safety and security of the people of America.

I am for him for another reason, because he stated he favored the message to us sent last week by the President of the United States; that great, new document wherein the President declares that in the next session of Congress he desires to present a program for social adjustment and for social assurance which will take away the gaunt specter of hunger and want from the hearts and consciences of those people who have long suffered from this dread condition.

Mr. President, with such thoughts uppermost in the minds of the people, with such principles advocated by those who have to do with making the policies of the Government, it is my belief that we are marching forward to a new era in which we shall not be compelled to indict the producers of foodstuffs and of clothing for producing too much, but where we may see that a proper distribution brings happiness and comfort and wealth to the people of the Nation.

For these reasons, Mr. President, I stand here favoring the confirmation of Dr. Tugwell.

#### ANNUAL CONSIDERATION OF PERMANENT APPROPRIATIONS

As in legislative session,

The PRESIDING OFFICER (Mr. SHEPPARD in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. I move that the Senate insist upon its amendments, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. OVERTON, and Mr. STEIWER conferees on the part of the Senate.

#### REXFORD G. TUGWELL

The Senate resumed the consideration of the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture.

Mr. DICKINSON. Mr. President, in the light of the results of the primary election in Iowa I simply want to suggest that the customary margin of 3 Republican votes for every Democratic vote was cast. Regardless of the little differences there may be among the Republican candidates, I invite the Senator from Alabama [Mr. BLACK] and the junior Senator from Iowa [Mr. MURPHY] to look at the election returns next November and see what consolation they can get out of them. We will go along together out there regardless of whatever differences may have arisen among Republicans over matters of policy. [Laughter.]

Mr. President, the Senator from Alabama [Mr. BLACK] has taken considerable time to discuss Dr. Tugwell's book and has referred to me on account of my reference to the book. But the Senator from Alabama very shrewdly omitted reference to chapter XXVIII of the book and of its contents from there to the summary wherein the author discussed economic planning in the Soviet Socialist Republic, and wherein he discusses the Soviet Union, then discusses seriously the cause of the socialistic platform, then talks about communism, then talks about social planning, then talks about the various remedies which he thinks, I presume, are applicable to the conditions which he has described.

Merely because I am opposing Dr. Tugwell does not mean that I am not as anxious as Dr. Tugwell himself about relieving the conditions described in the previous chapters of his book. It is a matter of difference in remedy, not a difference in complaint. It is a difference of whether or not

the remedy suggested by Dr. Tugwell will bring about the cure of the conditions he has described. It is a question of whether or not the remedy is going to be helpful rather than hurtful.

I believe in being progressive enough for advancement, and, on the other hand, I believe in being conservative enough for safety. In other words, most of the social reforms which have been brought about by men of the Tugwell type have proven failures when it came to taking account of the real benefits which they have brought to society. That is the phase of the question which has interested me.

Most of the cures suggested here have been tried out in times gone by. They are not new at all. I go back to the time when the King of Sparta attempted to find a way by which government regulation would solve all the problems of society in Sparta. He substituted iron money for gold and silver. He gathered all the silver and gold into the public coffers and then said he was going to issue iron money which was so heavy that nobody could carry it around, and see if he could not do away with the ambition of man for money. The scheme did not work. He divided the lands in an effort to redistribute wealth. He established public tables at which all the people should be fed. Yet his experiments failed. It is only a question of difference in view of remedy. It is not a confirmation or approval of the condition. It is a question of what is the cure that is involved here.

Senators may weep big tears. So far as the people of Iowa are concerned, I will compare the people of Iowa and the strata of society there with the people of Alabama any time. We can take care of our own people in Iowa. We do not need the advice of Mr. Tugwell or anybody else as to what we shall teach in our schools or how we shall conduct our society or how we shall feed our farmers or how we shall care for the sick, nor any of those phases of life.

I believe in the States having those rights, and I am wondering where in the world the advocates of the old State rights of the South have gone. Someone ought to page them around here and see whether or not any of them exist any more. State rights were established long ago in our history. But let us go a little further and see where the remedy may be.

Diocletian in Rome, in 300 A.D., issued his decree boldly fixing the maximum price of all commodities in common use, systematically attempting to regulate trade. He redivided his provinces, classified his people, and the end was complete collapse of the social standards of his day.

It is the remedy I am discussing. It is not the condition. Let me suggest that representatives of the present administration are at all times saying we are going back to the conditions of the ideal year of 1926. What economic theory was in control of the Government at that time? It was exactly the same theory that was in control in 1929. It was the abuse of the system, the fact that the people did not confine themselves to a reasonable use of their privileges of the day that caused the collapse. When we talk about returning to the normal conditions of 1926, it is proposed to return to the very economic theories that are condemned by those who say they want to remedy the conditions existing in 1929.

I go a little further, and this is in line with the theory of Dr. Tugwell. In France in 1848, Louis Blanc, labor commissioner, assumed that the Government must guarantee the existence of the workman by means of labor. The Government engaged itself to guarantee labor to every citizen. National workshops were established by decree. The authority was placed in a central board of management.

Does not that make one think of Reedsville, W.Va.? Does not that make one think of the almost numberless bureaus and boards which are being set up here now? Does not that make one think of the fact that we are now saying the Government must assume responsibility for everything that everybody is doing?

The authority was vested in a central board of management. Centralized control? Every phase of the program is along that line, and all to what end? It was to the end that



within 3 months' time from the time the system was initiated it had to be completely abandoned.

In other words, it is a question not so much of conditions. When we admit certain conditions exist, then the next question is whether or not the remedy is sufficient, and it is the remedy which is being suggested that I am attacking.

Personally, I know nothing about Mr. Tugwell. I have met him once, socially. I think he is a highly educated man. I know nothing about his background. I believe he lived on a 40-acre farm in New York. I believe he raised one Holstein calf, and I think that calf took a premium at a State fair. But that is not material to me.

I care nothing about that phase of the matter. The thing that is material to me is the question of the economic policies into which we are gradually being directed by the management not only of Mr. Tugwell but of several other men in key positions in the Government service, who are having to do with the direction of the agricultural policies of this country, which to me are extremely offensive.

The man who can get up here and weep big tears on the floor of the Senate about the problems of the poor and the problems of the farmer is not always the farmer's best friend. It is the man who knows the conditions well enough to tell what is practical and what will be helpful, and tell what is impractical and what will be harmful, who is really the friend of the farmer. I desire to suggest that I think we are interested now in the trend that we are taking, and it is that trend which I wish to discuss with the Members of the Senate for a little while today.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. MURPHY. Will the Senator say, in his judgment, whether or not the present Secretary of Agriculture answers the test imposed?

Mr. DICKINSON. I think the present Secretary of Agriculture is a theorist. I think he is impractical in his views. I think he is doing a number of things that will be adverse to the interests of the farmers of Iowa, and I think the farmers of Iowa will bear me out in that contention as time goes on.

I will say that this is the first time I have ever said a word in any way criticizing the efforts of the Secretary of Agriculture. The Senator from Iowa, who belongs to his organization, has asked me the question. I have given him my answer. It is my sincere belief. Mr. Wallace is honest; he is capable in many ways, but he is a theorist. He is looking over at the end of the rainbow, and he never sees what is in front of his feet. He is falling into pitfalls, not only with reference to the killing of 6,000,000 little pigs, but with reference to crop control and a lot of other policies that are being adopted by the present Department of Agriculture.

I do not concur in those views. I will say further that I voted for the Agricultural Adjustment Act—why? Not because of the allotment plan; in that I did not believe; not because of the inflation part of the bill, title III, but because of title II of the bill, which was for the purpose of refinancing farm loans. That is the only reason why I did vote for the bill.

Now I desire to take up for a few minutes some reasons why I believe that Dr. Tugwell is not sufficiently grounded in his various views with reference to economically sound remedies to occupy this position; and it is not to Dr. Tugwell alone that my criticism attaches. It is to the group of men who are in control of various affairs down in the Department of Agriculture.

Dr. Tugwell's characteristics are best shown by a little poem that he wrote in 1915. Rexford G. Tugwell is the author of this poem. He said:

We begin to see richness as poorness; we begin to dignify toil;  
I have dreamed my great dreams of their passing,  
I have gathered my tools and my charts;  
My plans are fashioned and practical;  
I shall roll up my sleeves—make America over!

That is a big program for a young man who was 24 years of age. Let me read it again:

We begin to see richness as poorness; we begin to dignify toil;  
I have dreamed my great dreams of their passing,  
I have gathered my tools and my charts;  
My plans are fashioned and practical;  
I shall roll up my sleeves—make America over!

I have no objection to that young man having that ambition in his heart.

Mr. McKELLAR. Mr. President, was that just after Mr. Hoover's administration, or about the time of Mr. Hoover's administration?

Mr. DICKINSON. This was in 1924, when the Republican candidate for President had the greatest majority that a candidate had had for many, many years, when Calvin Coolidge was reelected President of the United States; and I will say to the Senator that I deeply regret that we have not a Calvin Coolidge in the White House now.

Mr. McKELLAR. Evidently he was a prophet as well, because he saw just what was coming under the Hoover administration.

Mr. DICKINSON. Well, I am wondering, now. Let us look this over. Nineteen hundred and twenty-six is the great, ideal year that the Democratic administration is trying to adopt as a normal year. All of its charts, all of its programs, the entire effort to have price parity is to bring up prices to the average prices of 1926, 2 years after Mr. Tugwell made this prediction, and after a Republican was elected President of the United States.

I think Mr. Tugwell is a conscientious young man; and what I am saying is not any criticism of him individually. I believe he has the right to support the theories that he has supported. I think those who are associated with him have the same right. I am not criticizing them for that, but I do not agree with the theories; and I do not like to see men in key positions who have control over the interests that are of greatest influence in my State, subordinate to a man in whose economic balance I have not confidence.

Representative FISH made an investigation which reflects somewhat on the character of Mr. Tugwell, as I see it, and his former associates. I am not saying this in criticism. If they want to belong to these organizations, it is their privilege; but I am suggesting this by reason of the fact that my attack here is not on Mr. Tugwell as an individual, but on the trend of the economic theories of today. In this respect, which was made by a House committee authorized to investigate the matter, I find—

Mr. Roger N. Baldwin, its guiding spirit, makes no attempt to hide his friendship for the Communists and their principles. He was formerly a member of the I.W.W., and served a term in prison as a draft dodger during the war.

The first 12 have been actually associated with or are members of the American Civil Liberties Union.

The first man named is Mr. Tugwell.

I do not believe Mr. Tugwell believes in communism. I am only suggesting this by reason of the fact that he is associated with men with whose views I disagree, and with whose views I should like him much better if he would disagree.

I find in this list of names Mr. Jerome N. Frank. I find in this list of names Dr. Frederic C. Howe. I find in this list of names Clarence Darrow. I am simply saying that while those men have the right to belong to any organization they wish, I do not believe in the theories that are advocated by that group of men.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. ROBINSON of Arkansas. The plain implication of the Senator's statement is that he does not favor the confirmation of any man for a public office whose views the Senator does not approve.

Mr. DICKINSON. Oh, no.

Mr. ROBINSON of Arkansas. What is the point, then, in saying that the Senator does not agree with the views expressed by Mr. Tugwell? What is the point in saying that he does not agree with the views expressed by the gentlemen who belong to the organization he describes?

Mr. DICKINSON. I will say to the Senator from Arkansas that I do not believe in voting for a man who has a tendency toward views which, in my judgment, are leading us on a wrong economic course which is an implied socialism, if not actual socialism.

Mr. ROBINSON of Arkansas. The Senator has made it plain that he will not vote for the confirmation of any man whose economic views he does not approve.

Mr. DICKINSON. Oh, no; that is not my statement at all. I said I will not vote for the confirmation of a man whose views I think are dangerous and in the wrong trend. I might disagree with a man, but I might not think his views were dangerous. In fact, I disagree with the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Yes; but no more than the Senator from Arkansas disagrees with the Senator from Iowa. [Laughter.]

Mr. DICKINSON. Absolutely, and it is mutual and harmonious; but I want to say to the Senator that I should consider the Senator from Arkansas a safe man along economic lines, because his views do not run on a trend that I think dangerous.

Mr. ROBINSON of Arkansas. Mr. President, that makes me a little suspicious of myself. [Laughter.]

Mr. DICKINSON. In order that we may understand who Mr. Howe is, I am going to quote the Senator from Utah [Mr. KING], who just came into the Chamber, and the Senator from Arizona [Mr. ASHURST]. There was an investigation of Mr. Howe, who is listed here, and who is one of the assistant administrators of the A.A.A. If I remember correctly, he is drawing \$9,000 a year. I find that he was investigated when he was Commissioner of Immigration of the port of New York. I find that the Senator from Utah [Mr. KING] said—p. 2024, CONGRESSIONAL RECORD of June 27, 1919:

While I am upon that point, Mr. President, I want to state that in a recent meeting held in New York City under the auspices of the Russian Soviet, an official of the United States, Mr. Frederic C. Howe, the Commissioner of Immigration at the port of New York, presided as chairman. In my opinion, any person who would preside over a meeting of this character and sit with these people and listen to denunciations of our form of government and to the speeches there made without protest is not fit to hold a position under the United States.

The Senator from Arizona [Mr. ASHURST] replied:

Mr. President, do I understand that Mr. Howe presided at such a meeting? If that is true, does not the Senator from Utah intend to introduce an amendment here to provide that no money whatever shall be paid out of the Federal Treasury to Mr. Howe? If what the Senator says be true, it is the duty of every Senator here to vote for that amendment. Offer an amendment. Let us stop talking and do something. Offer an amendment that no money in the Federal Treasury shall be paid to that man if he did that.

Mr. KING. He did preside over the meeting. Martens, a Bolshevik, and other radicals spoke. It was a meeting ostensibly to present the truth respecting Russia, but it was a meeting in the interest of radicalism, in the interest of the Russian Soviet, in the interest of class government, in the interest of those who are seeking the overthrow of organized government, including the Republic of the United States.

Mr. SHERMAN (Illinois). I will ask the Senator from Utah if this same official is also not the author of a book which is known as "Socialistic Germany", which is a textbook for every violent red who does not want to go the limit of anarchy and bloodshed?

Mr. KING. He is the author of five books to my knowledge, all of which I now have in my office and all of which I have examined.

Mr. SHERMAN (Illinois). I regard it as a seditious and dangerous book.

Mr. KING. Mr. Howe ought to be removed from office by the President of the United States or whoever has authority to remove him.

I have here the notice in the New York Times showing that Mr. Howe presided.

Mr. ROBINSON of Arkansas. Mr. President, what has Mr. Howe to do with this controversy?

Mr. DICKINSON. He is in the same group which is directing the course of the economic trends of the present administration, which affect every man, woman, and child in my State and in the State of the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Mr. President, I am utterly unable to understand why the Senator opposes the nomina-

tion of Mr. Tugwell on the ground that Mr. Howe's views are objectionable to him.

Mr. DICKINSON. On the ground that Mr. Tugwell, Mr. Howe, and Mr. Jerome Frank, and others are all in the same group, all doing the same thing and, in my judgment, directing the agricultural interests of this country in a course that is detrimental to the interests of agriculture.

Mr. President, if any more evidence with reference to Mr. Tugwell is desired, let me suggest this. There is what is known as "the people's lobby." Everybody around Washington, D.C., knows Ben Marsh. He is here, I think, occupying space for the purpose of keeping it from being a vacuum. [Laughter.] I know of no other good reason for his being here.

I find that there is a people's lobby here, and that they had a council. In March 1933 I find, among those who were on the council, the name of Rexford G. Tugwell. The president of the council is John Dewey. Mr. Dewey is entitled to his views, Mr. Marsh is entitled to his views, and the rest of these gentlemen are entitled to their views, but I do not agree with their views, and I want to say that among their proposals we find the following:

Public ownership of banking, coal, gas, oil, water power, transportation, and communications, paying owners only for their values created. A Government marketing corporation.

Mr. President, with reference to the qualifications of Mr. Tugwell, and the present tendencies, I now want to read a paragraph from Mr. Frank R. Kent, in his column in the Baltimore Sun of this morning, headed "The Great Game of Politics":

Or, if additional evidence were needed of his conservatism, there is the professor's name as an editorial staff member at the mast-head of that great conservative journal of opinion, the New Republic. Certainly no one can think that a paper like the New Republic, with its unswerving devotion to the vested interests, or Senators like Mr. WHEELER, sponsor this session of the old and conservative Bryan 16-to-1 free silver bill, or Mr. NORRIS, with his reactionary tendency toward national ownership—no one can think that a periodical like this or Senators like these would claim Mr. Tugwell as their own if he were not conservative in every fiber of his highly educated system. The idea is absurd.

I read another paragraph from the same column:

Seriously speaking, while superficially Professor Tugwell came off very well at his committee test the other day, it was only superficially. Actually, this impression was due to the ineptitude of his senatorial cross-examination and the lack of dignity and decorum of his senatorial questioners. Actually, he did nothing to increase respect for him among discriminating people. Instead of standing up for his quite well-known, openly and often expressed convictions, he tried to convey the idea that they were not his convictions at all; that he was only "reporting." Instead of sticking by his standards, he dropped them. Instead of flying his own colors, he ran up another flag. Instead of exhibiting the independence and firmness one expects from the truly deep thinker, the professor side-stepped with the agility of a matador, sought refuge behind the Roosevelt skirts, knowing very well the senatorial bulls would not pursue him there. Instead of being straightforward, he was smooth and shifty. Certainly, far more clever than the Senators, he seemed to be shrewd, resourceful, alert, with a keen eye for covering up, and all the sincerity of the well-known china egg.

As a matter of fact, I think there is a growing tendency in this country now, not only among farm people, but among others, with reference to the uncertainty and instability of the entire economic program. In support of that I should like to insert certain excerpts from the book from which the Senator from Alabama has just quoted, Our Economic Society and Its Problems, by Tugwell and Hill.

The PRESIDING OFFICER (Mr. HATCH in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE PRINCIPLE OF PLANNING AND THE INSTITUTION OF LAISSEZ FAIRE

By Rexford G. Tugwell

The disasters of recent years have caused us to ask again how the ancient paradox of business—conflict to produce order—can be resolved; the interest of the liberals among us in the institutions of the new Russia of the Soviets, spreading gradually among puzzled business men, has created wide popular interest in "planning" as a possible refuge from persistent insecurity; by many people it is now regarded as a kind of economic Geneva



where all sorts of compromises may be had and where peace and prosperity may be insured (p. 75).

It is my belief that practically all of this represents an unconsidered adherence to a slogan, or perhaps a withdrawal from the hard lessons of depression years, and that it remains unrelated to a vast background of revision and reorganization among our institutions which would condition its functioning. Most of those who say so easily that this is our way out do not, I am convinced, understand that fundamental changes of attitude, new disciplines, revised legal structures, unaccustomed limitations on activity, are all necessary if we are to plan. This amounts, in fact, to the abandonment, finally, of *laissez faire*. It amounts, practically, to the abolition of "business" (p. 76).

Those who talk most about this sort of change are not contemplating sacrifices; they are expecting gains. But it would certainly be one of the characteristics of any planned economy that the few who fare so well as things are now would be required to give up nearly all the exclusive perquisites they have come to consider theirs of right and that these should be in some sense socialized (p. 76).

We might have had some such form of organization as the German cartel system if we had not set out so determinedly 40 years and more ago to enforce competition (p. 77).

Profits, in the sense in which we use the term, belongs to a speculative age, one in which huge gambles are taken, and in which the rewards for success may be outstanding. When we speak of them as motives, we do not mean that the hope of making 4 percent induces us to undertake an operation; we mean that we hope for some fabulous storybook success. These vast gambling operations are closer to the spirit of American business even yet, with all the hard lessons we have had, than are the contrasting ideas which have to do with constructive restraint and social control (p. 80).

There is no doubt that the hope of great gains induces enterprise of a sort; and if these are disestablished, a certain kind of enterprise will disappear. The question is whether we cannot well afford to dispense with it. It seems credible that we can. Industries now mature can be seen to operate without it; and new ones might be created and might grow from sheer workmanlike proclivities and without the hope of speculative gains (p. 81).

The universal confidence in profits, still unshaken in the Western World, is quite likely to hinder measurably the advance of planning.

A central group of experts charged with the duty of planning the country's economic life, but existing as a suggestive or consultative body only, without power, has been advocated by numerous persons and organizations (p. 82).

The deadliest and most subtle enemy of speculative profit-making which could be devised would be an implemented scheme for planning production. For such a scheme would quiet conflict and inject into economic affairs an order and regularity which no large speculation could survive (p. 83).

Strange as it may seem—directly antithetical to the interests of business and unlikely to be allowed freedom of speech, to say nothing of action—it seems altogether likely that we shall set up, and soon, such a consultative body. When the Chamber of Commerce of the United States is brought to consent, realization cannot be far off. It seems to me quite possible to argue that, in spite of its innocuous nature, the day on which it comes into existence will be a dangerous one for business, just as the founding day of the League of Nations was a dangerous one for nationalism. There may be a long and lingering death, but it must be regarded as inevitable (p. 84).

Planning is a process of predicting and making it come true, not merely a matter of advising voluntary groups (p. 85).

It is necessary to realize quite finally that everything will be changed if the linking of industry can finally be brought to completion in a "plan." It was a reluctant and half-blind step which led one executive after another to complete the serialization of his machines. And even then he was sometimes astonished at the results. This new undertaking is vaster; it requires a new and complicated technology which is not yet wholly invented; and it follows not from one executive's decision, but from a thousand preliminary consents, abdications, and acceptances of responsibility (p. 88).

The setting up of even an emasculated and ineffective central coordinating body in Washington will form a focus about which recognition may gradually gather (p. 88).

For we have a century and more of development to undo. The institutions of *laissez faire* have become so much a part of the fabric of modern life that the untangling and removing of their tissues will be almost like dispensing with civilization itself. We

shall all of us be made unhappy in one way or another, for things we love as well as things that are only privileges will have to go. The protective vine makes the ruined wall seem beautiful; we dislike abandoning it for something different. But we shall have to see, no doubt, a wholesale sacrifice of such things, like it as little as we may.

The first series of changes will have to do with statutes, with constitutions, and with government. The intention of eighteenth- and nineteenth-century law was to install and protect the principle of conflict; this, if we begin to plan, we shall be changing once for all, and it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police power for enforcement. We shall also have to give up a distinction of great consequence and very dear to many a legalistic heart, but economically quite absurd, between private and public or quasi-public employments. There is no private business, if by that we mean one of no consequence to anyone but its proprietors; and so none exempt from compulsion to serve a planned public interest. Furthermore, we shall have to progress sufficiently far in elementary realism to recognize that only the Federal area, and often not even that, is large enough to be coextensive with modern industry; and that consequently the States are wholly ineffective instruments for control. All three of these wholesale changes are required by even a limited acceptance of the planning idea (pp. 88 and 89).

It is equally true that planning in any social sense cannot leave out of its calculations any industry or group of industries and still remain planning.

It will be required, furthermore, in any successful attempt to plan, that the agency which imposes its disinterested will on industry, must equal, in the area of its jurisdiction, the spread of the industry. Planning will necessarily become a function of the Federal Government; either that or the planning agency will supersede that Government, which is why, of course, such a scheme will eventually be assimilated to the State, rather than possess some of its powers without its responsibilities.

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant. The essence of business is its free venture for profits in an unregulated economy. Planning implies guidance of capital uses; this would limit entrance into or expansion of operations. Planning also implies adjustment of production to consumption; and there is no way of accomplishing this except through a control of prices and of profit margins (p. 89).

The traditional incentives, hope of money-making and fear of money loss, will be weakened, and a kind of civil-service loyalty and fervor will need to grow gradually into acceptance. New industries will not just happen, as the automobile industry did; they will have to be foreseen, to be argued for, to seem probably desirable features of the whole economy before they can be entered upon (p. 90).

We shall not, we never do, proceed to the changes here suggested all at once. Little by little, however, we may be driven the whole length of this road; once the first step is taken, which we seem about to take, that road will begin to suggest itself as the way to a civilized industry. For it will become more and more clear, as thinking and discussion centers on industrial and economic rather than business problems, that not very much is to be gained until the last step has been taken. What seems to be indicated now is years of gradual modification, accompanied by agonies and recriminations, without much visible gain; then suddenly, as it was with the serialization of machines, the last link will almost imperceptibly find its place and suddenly we shall discover that we have a new world, as, some years ago, we suddenly discovered that we had unconsciously created a new industry (p. 90).

It has been by a series of seeming miracles that we have acquired the technique of control and the industrial basis for economic planning. The still further, perhaps greater, miracle of discipline is needed (p. 91).

It is, in other words, a logical impossibility to have a planned economy and to have business operating its industries, just as it is also impossible to have one within our present constitutional and statutory structure. Modifications in both, so serious as to mean destruction and rebeginning, are required (p. 92).

Consequently, we begin with small unnoticed changes and end by not being able to resist vast and spectacular ones—at which time our systems of theory tumble unwept into the grave along with the outworn techniques they accompanied. When this kind of thing follows a relatively unimpeded course there is rapid industrial change, such as once happened in England; when politicians, theorists, and vested interests resist too strenuously, there is a revolution on the French model. How rapidly the pressures rise to explosive proportions depends both upon the visibility of a better future and upon the hardships of the present.

There is no denying that the contemporary situation in the United States has explosive possibilities. The future is becoming visible in Russia; the present is bitterly in contrast; politicians, theorists, and vested interests seem to conspire ideally for the provocation to violence of a long-patient people. No one can pretend to know how the release of this pressure is likely to come. Perhaps our statesmen will give way or be more or less gently removed from duty; perhaps our Constitution and statutes will be revised; perhaps our vested interests will submit to control without too violent resistance. It is difficult to believe that any of these will happen; it seems just as incredible that we may have a revolution. Yet the new kind of economic machinery we have in prospect cannot function in our present economy. The contemporary situation is one in which all the choices are hard; yet one of them has to be made (p. 92).

The prospect of a planned economy is so congenial to every hope and belief that I have.

Mr. MURPHY. Mr. President, will the Senator yield to me?

Mr. DICKINSON. I yield to my colleague.

Mr. MURPHY. I was wondering whether the Senator had found Tugwell's name among those listed as members of the board of governors of the New York Stock Exchange, the National Electric Light Association, the Hamilton Club, the Union League Club, the Securities Exchange.

Mr. DICKINSON. I might say to the junior Senator from Iowa that I have no access to those lists, and they have not been furnished me. I am not on the public-utilities list. I have no connection with the public utilities. I never have had any connection with the public utilities, and the theory that any one who is opposed to Tugwell is hooked up with some interest is only an unwarranted insinuation. As a matter of fact, there can be a conscientious conviction here as to whether our Government is trending. I think that conviction is one which is now being studied by the sane and thinking people of the United States. I believe that the trend is in the wrong direction, so far as the particular group of men I have discussed are concerned, and Tugwell is among them. I believe he is one of the most influential of them, and therefore I do not believe that he should be confirmed.

Mr. MURPHY. Mr. President, I would not wish to impute to the Senator any association with those interests, but I should like to point out the significance of the fact that Mr. Tugwell's association is not with them.

Mr. DICKINSON. Mr. President, I would not want to be compelled to make a recital of all of the things in the United States to which he does not belong. He is well known, of course, and popular, but I think his membership and listing are probably limited.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. DICKINSON. I yield.

Mr. McKELLAR. Is the Senator a member of the Committee on Agriculture and Forestry of the Senate?

Mr. DICKINSON. I am not.

Mr. McKELLAR. Does the Senator understand that Mr. Tugwell went before that committee, composed of both Democrats and Republicans, and that after the committee heard him, and after they heard the testimony brought in, and after they heard the arguments, only 2 members of the 19 on that committee voted against Mr. Tugwell's confirmation?

Mr. DICKINSON. I understand that very thoroughly.

Mr. McKELLAR. Does the Senator understand that six out of the seven Republicans on the committee impliedly gave their approval to his confirmation?

Mr. DICKINSON. I understand that very thoroughly, and that does not change my views at all. The members of the Committee on Agriculture and Forestry are entitled to their views. I reserve the right to have my own views, and I expect to express them. It is my privilege as a Senator from Iowa to do that.

I find that Mr. Tugwell claims that he is a great friend of the farmer, and that before the Women's National Democratic Club, in the March meeting in 1931, he showed himself to be the absolute friend of the farmer. Let me quote from him:

Such an abundant life implies the enjoyment of the good things of life in security and contentment, and the cultivation, through such enjoyment, of the good things of the spirit; reflection, philosophy, conversation, and leisure.

I am frank to admit that I am partial to the European tradition of open-air cafes and beer gardens, where decent men and women can drink quietly in the open air under the eyes of their neighbors and where the two sexes can exert on each other the discipline of each other's presence.

He goes on to say that he is a believer in the old philosophy of wine, women, and song. The paragraph which I particularly desire to quote, however, is as follows:

My interest in the subject, is partly due to the fact that wine and beer are made from agricultural produce and that their consumption cannot only serve the broader purposes of the new deal in making for a calmer and happier type of existence, but will help the American farmer to find a better market for his produce.

There is absolute evidence of the sincerity of Mr. Tugwell to the farming interests of this country.

Now I wish to quote from his book, *Industry's Coming of Age*. Professor Tugwell shows clearly that he is in favor of the control of capital, expenditure, and also of price control. He says especially in this volume:

There are two obvious functions which some public body will always have to perform if social results are to be got. One is the matter of capital dispersal and allocation; the other is that of price control.

Perhaps it can be made to seem wrong to squander wealth, and perhaps it can be made to seem supremely important to produce it. But neither in our popular morality, with its roots in a past age and its controls devised for a medieval economy; in religion, which clings to outworn ethics, irrelevant for the present; nor in public-school education, which is dominated by the two, does there seem to be a sufficient promise. But it is through some social agencies as these that controls will have to come.

In other words, there is a direct indication that he not only believed that the Government must control industry, but he also believed that it must control the crafts. So it is not only agriculture which must be controlled; it is also industry.

I am not critical of Dr. Tugwell for changing his mind; I am not critical of Dr. Tugwell for adjusting his views to meet the situation of the time, but I am convinced that in 1931 Dr. Tugwell was of the same opinion that many other people were—that the Constitution was a barrier to many of the reforms he was supporting and advocating. Since that time we have had a change in conditions.

I believe that he, at least, partially had forgotten the fact that he said in this book that the N.R.A. and the A.A.A. did not meet with his view of social and economic planning. But when he came before the committee, with the development from the time that he wrote this book, which was probably in 1933, because it was copyrighted early in 1934, he had seen this adjustment, and therefore I am not critical of his views. I am critical of him wherever he attempted absolutely to reverse his program, and in that way change the principle for which he had previously stood.

I desire to read an editorial appearing in the Washington Post on the question of constitutionality, and a comment on his testimony:

On the subject of the Constitution, Dr. Tugwell now points out that he has taken the oath to uphold it without any mental reservation.

No one expects Dr. Tugwell or any of those who hold the type of view I have been discussing here, to repudiate the Constitution. I do not believe that as yet they have advanced to that stage. In other words, he has to take an oath that he will support the Constitution, and therefore his answer was as I would expect his answer to be when he was asked if he believed in the Constitution.

Earlier he wrote that one illustration of "an emotional attachment to the instruments of social life" is "the unreasoning, almost hysterical, attachments of certain Americans to the Constitution."

Personally, I believe that the Constitution protects our liberty. I do not believe that it is an abridgment of our liberty under any circumstances whatsoever. It will be



found, according to the statement of John Marshall, that when we go out beyond the scope that has heretofore been considered within the limits of the Constitution we always tread on dangerous ground. I believe we are now treading on dangerous ground.

I read further from the Washington Post editorial:

If Dr. Tugwell has today no reservations on the subject of the general adequacy of the Constitution, how can he sincerely call implicit acceptance of this instrument by others unreasoning to the point of hysteria?

On the subject of economic planning, Dr. Tugwell tells the Senate that "I believe in the kind of planning we are doing now, but not in a planned economy, which is best defined by reference to the Russian system." Elsewhere he writes that "the experiments commenced in 1933 in the United States are worth-while beginnings. They are not economic planning, but they afford new opportunities for working out plans."

What is merely a desirable beginning to this official on one day is glibly made to appear the ultimate goal on another occasion.

On the subject of the consistency of constitutional provisions with the ideal of planning, Dr. Tugwell says on the stand that there would be such inconsistency "if we are going to have a planned economy. . . . But I don't favor it." At another place and time his view was that: "The challenge of Russia to America does not lie in the merits of the Soviet system, although they may prove to be considerable. The challenge lies rather in the idea of planning, of purposeful, intelligent control over economic affairs. This, it seems, we must accept as a guide to our economic life to replace the decadent notions of a laissez faire philosophy."

I desire to refer to another editorial, one from the Kansas City Star of June 4, 1934:

The report in Kansas City last week of certain aspects of the Soviet industrial system from an American engineer, Zara Witkin, who has returned from his work in Russia, may not give the whole of the picture. Indeed, the Soviet Union is so vast a country that no individual's view of conditions there can be taken as conclusive. But it is illuminating to find Mr. Witkin's criticisms have to do with the general scheme of a national economy planned by a central government.

That is the phase of it that I want to bring to the attention of the Senate.

Mr. Witkin speaks of "unparalleled mismanagement and disturbing lack of initiative" in the Soviet Union. One trouble, he says, is that "government is so centralized that every engineer is afraid to make any decision on a matter of construction until he hears from someone above him. The countless delays that arise from such a situation make any sustained cooperative effort impossible."

These are among the necessary defects of a system under which a central authority tries to conduct a nation's business.

To my mind the indictment of the N.R.A., the indictment of the A.A.A., the indictment of practically every phase of the new-deal legislation we have had here, is the fact that we have a centralized bureaucracy in Washington, D.C., with our interests hundreds and thousands of miles away, with no possibility of having a determination of a crucial matter in time to save the situation.

I wish to refer to the hog-and-corn contracts in Iowa. We have had a tremendous drought. In many fields the oats were dried and blown out, and under ordinary circumstances when a field reached the point where it could not produce the farmer would be in there with his plow and he would be ploughing it up to put in corn, but we find that he contracted with the Government to reduce his corn acreage and he was already planting the limit. Therefore he either had to ignore his contract or get permission from Washington to avoid his contract. In other words, in my opinion, with 120,000,000 people, with our diversity of agriculture and diversity in industry, it is not possible to have business controlled by one central bureau in Washington and to have it work efficiently. Not only that, but the interests of one section may be adverse to the interests of another. That is the criticism and the reason why the N.R.A. cannot succeed.

To quote further from this editorial:

The same difficulties are indicated by one of the most sympathetic of American observers of the Soviet Union, Sherwood Eddy. In his latest book he classifies a paralyzing and ineffective bureaucracy as one of the major evils of the Russian system. "It falls like a blight on initiative everywhere." The main cause is the "overcentralized power of the state and party" which is essential to national planning.

Certainly the break-down in agricultural planning and in the transportation facilities last year that resulted in several million

deaths from starvation in Russia—the estimates run from three to six million—would indicate that national planning has its drawbacks.

Isn't it just possible that Prof. Rexford G. Tugwell spoke too soon when he wrote in his latest book: "For many years the technical task of devising plans to regulate our complex economic interests was too difficult to attempt. But today we know that this is no longer true, for Russia has shown that planning is practicable."

I am of the opinion that we will have exactly the same experience as Soviet Russia if we attempt to carry this program into effect.

In the Dry Goods Merchants Trade Journal I find this quotation, talking about young people going to school:

These young people are headed for some awful headaches and heartaches if they have drilled into them the theories of many such professors—that while we are reasonably sure to have a return to the boom times of 1929 between now and the early 1940's, yet the period just after that is, so it is said, threatening in the extreme, due in no small measure to the teachings of the Tugwell type of professor, instilled into the minds of young men and women who attended college during the years 1921 to 1932; that by 1942-44 these young people will be running our affairs and the theories of the radical types of these professors will be tried out by the generation then in control, the generation taught by these theorists.

Here I wish again to refer to the land theory. I was interested in the Philadelphia speech delivered by Mr. Tugwell, and I find that in the land theory promulgated by him we first start in to rent land—that is now admitted—and then we start in to purchase marginal land—that is in the offing—then the next theory of land control is always to have the Government own and control all land. That means absolute production control all along the line. I do not believe that the Government ought to go into those phases of land control. I quote from Mr. Tugwell's speech as follows:

We are now engaged in a drastic program of controlling the output of agricultural products for the emergency. This in itself means that we are trying to control the entire utilization of all our agricultural land.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Maryland?

Mr. DICKINSON. I yield.

Mr. TYDINGS. Would the Senator be in favor of relief being borne entirely by the States and local communities rather than by the Federal Government?

Mr. DICKINSON. Insofar as they are able to provide relief, I would.

Mr. TYDINGS. Suppose they are not able to do so?

Mr. DICKINSON. Then I think the only thing for the Government to do is to contribute to the State, through its chief authority, the Governor of the State, such amount as may be necessary and leave the matter of distribution both in counties and other localities entirely in the hands of the State authorities. I am still more in favor of State rights than many of my good Democratic friends.

Mr. TYDINGS. The Senator is not opposed to bureaucracy to relieve distress where bureaucracy is necessary?

Mr. DICKINSON. There is no bureaucracy in what I have said.

Mr. TYDINGS. Well, the centralization of power in the Federal Government is what I am talking about.

Mr. DICKINSON. Not at all. My suggestion is merely for a contribution out of the Federal Treasury; there is no bureaucratic control about it at all.

Mr. TYDINGS. I cannot see the distinction between the Federal Government overriding the State laws and the States being controlled from Washington.

Mr. DICKINSON. Mr. President, I hope the Senator will not take my time. It is almost exhausted. Continuing the quotation:

There are other methods already in use by which governmental agencies control the use of lands for other purposes—police regulations in towns, and zoning ordinances or laws in cities and suburbs, and even local or regional planning boards.

One way to control agricultural output is to restrict directly the use of the land.

That is exactly what we are doing. That is the cotton bill; it is going to be the corn bill. The effort all along the

line is to restrict the use of land, and, in my judgment, we will never cultivate in the farming population of this country either a desire or a capacity to take care of themselves if we adopt such a theory.

Continuing the quotation:

Either of these involves maintaining more men and more land than are really needed. What is done is merely to keep a part of each field or each farm out of use. It seems to me obvious that this cannot be the characteristic feature of a permanent policy. There is no recognition in it of the basic conditions which ought to determine the use of the land. It adjusts supply to the moment's market, but it neither conserves the land nor makes provision for permanently bettering farmers' lives.

In other words, he is of the opinion that we must not only control the land but we must go in and supervise the use of the land. If Senators desire a real exhibit of 100 percent socialization of land, I call attention to the testimony of Dr. Morgan, of the Tennessee Valley Authority, which was given before the committee just a few days ago and which will shortly be in print, where, in my judgment, he shows that they must not only go in and determine the usage of land but they must go in and absolutely control society in its occupancy of the land, including education, social conditions, the church, every phase all along the line.

There is another man connected with this Department who says that profits must be eliminated. I now quote from a statement of Jerome N. Frank, of December 1933. On page 2 he says:

The majority of the American people are still devoted to the profit system. They still believe that there is substantial worth in using the desire for individual profit as one of the important incentives in getting done the necessary work of the world. Although the profit system, as it has worked recently, seems to have worked poorly, most Americans believe that, properly controlled, it can work well. As long as the majority of the American people continue to cherish that system, it would be impossible, even if it were considered desirable, to abandon it completely in favor of another system. To do so would be to fly in the face of our current folk ways. The course of the wise statesman today is clear, if he wishes to avert complete break-down. He will seek, so far as possible, to eliminate the evil aspects of the profit system. He will give that system a fair trial.

In other words, it appears from his statement that, sooner or later, we are to reach the point where we are no longer to have anything to do with the profit system.

Recently Byron Price, a Washington correspondent, in an article of June 12, 1934, had this to say with reference to the present trend about which I have been talking:

Directly or by implication, the professors are indicted on several counts:

1. Radicalism, destructive of American institutions.
2. Ignorance, leading, to experiments which experience has shown worthless.
3. Extravagance, involving reckless spending of public funds.
4. Tyranny, directed at curtailment of individual liberty, private initiative, freedom of speech.

I think he has summed up in those four points the actual criticism of present-day trends that is well worth while for all of us to keep in mind.

Under date of June 24, 1933, Mr. Tugwell made a speech at Rochester, N.Y., from which I quote as follows:

Upon general social and economic problems, upon fit relations of government to industry, upon the respective functions of the several divisions of government in connection with these relationships, it is the line of least resistance for most of us to affect the attitude of the theorist. And this is true whether or not the consequences appear to be promising for or threatening to our social and economic existence. It is merely a usual process of thought. Our loyalties and affections are apt to attach themselves to instruments rather than to functions. In this instance we are apt to regard a form or a document more highly than the values such a thing produces. We become adulating and uncritical. Only crises call in question our attribution of virtues. We then see suddenly that values attach to these things because they are valuable and not because they simply exist.

In other words, he says that it takes a crisis to cause us to rise up against the conditions which exist or against such an instrument as the Constitution or against a custom or a habit. To me that is at least an insinuation that he believes in such reform as is not permitted under our system but which he thinks is imperative in order to work out the present-day problems. I continue the quotation:

The new administration is compelled to reckon with these attitudes of people. In this connection I shall refer to and shall dwell upon two major lines of action which have been taken. I shall attempt to evaluate their constitutional and economic validity; I shall attempt to sustain them against more orthodox theories of government, laws, and economics. What I can say here and now must be merely the sketch for something which ought to have been longer considered, made more revealing by the inclusion of ramifying implications. There has not been time yet for that. If, however, I can furnish some clues to the rebuilding of a theoretical structure, I may have done something toward closing the gap between theory and reality. There will be sufficient ingenuity, and above all, adequate time, for other minds to follow these directions.

In other words, he believes that it is his job to work out some program and that is the reason why he wrote this book [indicating]. I will say that those chapters in the fore part of the book set forth a condition which does exist, and no one attempts to deny it, but when it comes to the remedies at the end of the book, then I think they do not fit the disease.

I ask that a further quotation from the speech be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From Dr. Tugwell's speech at Rochester, June 24, 1933]

And certainly the Constitution was never designed to impose upon one era the obsolete economic dogma which may have been glorified under it in an earlier one. Today and for tomorrow our problem is that of our national economic maintenance for the public welfare by governmental intervention—any theory of government, law, or economics to the contrary notwithstanding. Hence the National Recovery Act and the Agricultural Adjustment Act of the administration.

I shall not turn to a consideration of the measures enacted in the last special session of the Congress vesting in the President broad powers for the administration and execution of laws enacted by the Congress. Reference may be made for illustrative purposes to the powers granted to the President under the Economy Act and under the appendage to the Agricultural Act which is popularly known as the "inflation amendment." Of what may even the theorist of government law or economics complain? Has the theory of a republican form of government explicit in the Constitution been violated by the new Democratic President and Congress? \* \* \* These questions naturally arise; they command respect for they concern our faith in the organization and function of our National Government. But must faiths, political more than economic, be preserved at all events—that is, in disregard of the obviously necessary requirements of the public welfare? May our faiths in checks and balances yield to necessity, or even to expediency? If these faiths and this necessity for more expeditious governmental action are to clash, must we sacrifice efficiency or shall we establish a new faith?

Mr. DICKINSON. Now, as to the question of the necessity of this program and as to whether we are proceeding in the best way, I want to quote again from the Dry Goods Merchants' Trade Journal, of June 1934:

\* \* \* that latest figures from England are very interesting, pointing the way to our early trend probabilities. Without alphabetical and theoretical stimulation(?) England's business is forging ahead rapidly; their business index is almost back to the 1929 level; employment index back almost to 1929; their stock market is within a few points of the 1929 highs; wholesale prices are about to the highest level of 1931 but far below the price levels of 1929—a very favorable situation. Let us hope that President Roosevelt is watching the above trends in England and clamps down on the numerous theorists and petty politicians in his official and semiofficial family of advisers.

Mr. President, in conclusion, I ask permission to insert in the RECORD an editorial entitled "So this is 'Progress'" from the Murphysboro Independent of Murphysboro, Ill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial referred to is as follows:

[Murphysboro (Ill.) Independent]

SO THIS IS PROGRESS

How Joseph and Pharaoh handled a crop surplus:  
 "Let Pharaoh do this and let him appoint officers over the land.  
 "And let them gather all the food of those good years that come and lay up corn under the hand of Pharaoh, and let them keep food in the cities.  
 "And that food shall be for store to the land against the 7 years of famine which shall be in the land of Egypt; that the land perish not through the famine.  
 "And the 7 years of dearth began to come according as Joseph had said; and the dearth was in all lands but in all the land of Egypt there was bread."



How the "brain trust" handles a crop surplus:

"And let us get rid of this oppressive surplus of wealth so that all may be richer. Let us plow under one row of cotton in three. Let us pay the farmers of the fields for the wheat they do not cultivate or plant. Let us pay them for the hogs they do not raise. Let us kill the young pigs and the young calves. Let us plow the growing wheat under, and let the fields lie fallow, for truly we have more food supplies than we need and they have lost their value.

"And so it was done. And the 'brain trust' sent men out into the land and told the farmers how much cotton they could plant. And they killed the young pigs and they plowed the wheat under in the fields. And they paid the farmers for being idle instead of for working, for with a surplus of food supplies idleness became a virtue instead of a vice, and thrift and industry became a vice instead of a virtue. And they levied a tax to pay for all this and collected it from the farmers and others.

"And the wheat crop 1 year was the smallest it had been within the memory of that generation.

"And the next year came the drought and the hot winds and the dust storms.

"And there was famine in the land.

"And the people turned to the 'brain trust' and said: 'Where is the good wheat you made us plow under? Where is the good pork you made us throw on the refuse heaps?' And the 'brain trust' said unto the people: 'You are but guinea pigs on whom we experiment in the cause of progress. What matters if you starve provided we learn something about social experiments? If you have no bread, then eat cake.'

"And the people were wroth and turned upon the 'brain trust' and drove them from the city, but there was famine in the land."

GO LEFT!

Mr. LONG. Mr. President, I had not expected to say a word about this nomination, and what I shall say will probably be as much amiss as was in some respects the investigation conducted regarding it. I simply wish to say, however, that whenever this administration has gone to the left I have voted with it, and whenever it has gone to the right I have voted against it.

I voted against the administration's plan for the banks when it left the little banks out; that is, I voted to include the little banks.

I voted against the administration when it advocated the economy bill, because it was a trend toward conservatism and away from liberalism.

I voted against the N.R.A. because I believed it would be operated for monopoly, as it contained a provision that brushed aside the antitrust laws.

I voted against the administration when I supported the remonetizing of silver.

I voted against the administration when I supported higher income taxes and higher inheritance taxes than were advocated by its measures.

I voted against the administration when I supported the plank to guarantee to farmers the cost of production.

I likewise voted against the administration when I supported the 30-hour week; and I likewise voted against the administration's recommendations to mellow those provisions.

On the contrary, when the administration has gone liberal, or toward the left, I have just as consistently voted with it.

I voted with the administration for expanding the currency; that is, for a bill which gave the President power to do that.

I voted with the administration for the home loan bill.

I voted with the administration for farm relief.

I voted with the administration for the guaranteeing of bank deposits. In fact, I was one of the few who made the fight until the administration forces were brought around to that view.

I voted with the administration to submit to the people the repeal of the eighteenth amendment.

I voted with the administration for the control of crime.

I voted for the Johnson bill to prohibit injunctions against State commissions in connection with public-utility orders.

I voted with the administration for the Muscle Shoals bill, for the truth in securities bill, and for the bill to regulate stock exchanges.

I cite some 10 examples in which I have gone against the administration's reactionary endorsements and 10 instances in which I have voted with the administration's liberal pronouncements.

In the matter of the confirmation of appointments and in my expressions with regard to those advising the administration I have taken an identical view. I was grieved when Eugene Meyer was retained by the administration to head the Federal Reserve for a short while. On the contrary, I was indeed happy to see a liberal man like the late Senator Blaine put on the Reconstruction Finance Corporation.

I regretted that Mr. Ballantine was allowed to linger around the Treasury Department, because he was distinctly of the reactionary type and to the right, but I was very happy when a man representing contrary views like Mr. J. F. T. O'Connor was made Comptroller of the Currency.

Likewise, I was not in sympathy with men of such reactionary tendencies as Mr. Woodin, Mr. Aitchison, and Mr. Baruch, all of whom I opposed; but on the contrary, looking to the left, I was happy for the naming such men as Brookhart, Moley, Governor Black, and members of the Federal Deposit Insurance Corporation, whom I felt to represent distinctly a more liberal view.

The record which I have made in voting along these lines apparently has been pretty well regarded as satisfactory to those holding the liberal views. All the veterans' and soldiers' organizations regard my record as 100 percent perfect, so far as I have learned. All the farm organizations regard my record as 100 percent perfect, so far as I have learned. All the labor organizations regard my record as 100 percent satisfactory, so far as I have learned. All the little banks of the United States regard my record as 100 percent satisfactory, so far as I have learned. So do all liberal leaders of whom I have knowledge.

We have come now to an appointment which is not being discussed entirely upon the merits of the appointee. There has been invoked, whether it has been done purposely or whether it has crept in by its own moving force, quite a discussion as to whether the liberal or radical views of the appointee qualify him or tend to make him unfit to sit in the Cabinet or to occupy a position somewhat similar to that.

I am very sorry Mr. Tugwell did not explain his views, as he might have expressed them in a very few words—that he meant what he said then, that his words applied in 1931 and that they applied in 1934.

This is where I have some misgivings: I hate to have it assumed that we have corrected the condition which was the cause of the political revolution of 1932. Our candidate for President of the United States, when he was a candidate, said this, and I quote from his speech of September 23, 1932.

Just as freedom to farm has ceased, so also the opportunity in business has narrowed. \* \* \* Recently a careful study was made of the concentration of business in the United States.

It showed that our economic life was dominated by some six hundred and odd corporations, who controlled two-thirds of American industry. Ten million small business men divided the other third.

More striking still, it appeared that, if the process of concentration goes on at the same rate, at the end of another century we shall have all American industry controlled by a dozen corporations and run by perhaps a hundred men.

Put plainly, we are steering a steady course toward economic oligarchy if we are not there already.

Our President pledged his party by a declaration for the redistribution of wealth. That was followed by Mr. Tugwell's declaration for the redistribution of wealth, and by suggestions by such men as Dr. Moley, who said he favored the redistribution of wealth. Secretary of the Interior Ickes, in a signed magazine article published in the New York Times less than 2 weeks ago, stated that the administration is steering a course for the redistribution of wealth. But, unfortunately, we are not steering straight along that course. I quote from an article by Mr. Lawrence Dennis, published in the American Mercury of May 1934, in which he said:

I am reliably informed by an economist who keeps tab on the latest corporate developments that the concentration of control in some 200 large corporations has increased from 45 percent of all industrial capital in 1930 to 55 percent in 1933.

Taken alone those figures might be somewhat disputed, but I have in my hand an extract from an article which appeared in the Philadelphia Record, this study made by an administration organ, in which it was said:

The rich get richer—President's program stumbling because there has been no redistribution of wealth.

This is from the Philadelphia Record, and, in part, reads as follows:

The rich are getting richer and the poor are getting poorer.

That was the case in the boom days of Coolidge. It also was the case of the depression days of Hoover.

And it still is the case in the recovery days of Roosevelt.

Let those shuddering Tories who moan about administration radicalism observe these figures from the Treasury.

Taxes paid by corporations increased from \$62,801,192 for the March payment of 1933 to \$92,200,858 for the March payment this year.

Taxes paid by persons with incomes of more than \$5,000 jumped from \$88,599,235 last year to \$109,766,752 this year.

And taxes on incomes under \$5,000 dropped from \$14,974,689 to \$12,936,734.

Concentration of wealth goes on at a more rapid pace under the "new deal" than before.

So, Mr. President, my regret is that the views which have been expressed by Dr. Tugwell and Mr. Moley and those expressed by Mr. Roosevelt and by Mr. Ickes have not been carried out, due to the fact that one day they have gone toward the left and the next day they have gone toward the right. I applaud the statements of the administration when they say to the banks, "Lend your money to the people", and then again I grieve over the instructions given by the bank examiners that homes and farms are not sound collateral upon which the banks may make loans.

I do not have any particular fault to find with someone who is arguing that the Constitution has to be changed.

If it takes a change in the Constitution of the United States, but I do not think it does, to break down this condition by which 1 percent of the people own more of the wealth of the country than the other 99 percent of the people put together, then I am in favor of that change in the Constitution of the United States. So was Jefferson, so was Samuel Adams, and so were the men who drafted that immortal document. It is carried out in the express Declaration of the Independence that whenever the Government fails to provide life, liberty, and happiness, or at least the pursuit of happiness, then it has failed and the Constitution should be changed in such a way as may be necessary to carry out the purpose of government.

Dr. Tugwell's appointment is generally regarded as being toward the left. I would not administer the purposes he has expressed as he has done. I believe that I have advocated a more certain and direct way. Neither would I administer the purposes the President has in mind as he is doing. But so long as the trend is toward the left—for the decentralization of wealth, for the spreading of the blessings of life among the masses—so long as the trend is toward the liberal and away from the right and the reactionary I shall have to vote for any confirmation or legislation.

Mr. ROBINSON of Indiana. Mr. President, I never like to object to the confirmation of nominations sent here by the Chief Executive, regardless of the party to which he may belong. His party is responsible for the conduct of the Government, and he is given the authority, as well as the responsibility, by the people of the country. Because of that fact I believe he ought to have counsellors and advisers around him in whom he has confidence.

The record will show, therefore, that very rarely have I opposed the confirmation of those nominated by the Chief Executive, and only when I felt that I had good cause for taking such action. This is one of those cases.

I am not even personally acquainted with Professor Tugwell. So far as I know, he is a very estimable young man. He is well educated, and I see no objection to that. I should think it would be to his advantage. I am, however, tremendously influenced by the views he himself has expressed with reference to the system of government under which we live, and the direction in which he would turn the Government from the course we have followed for more than a century.

Mr. President, I understand Dr. Tugwell has since repudiated some of the statements he made originally less than 3 years ago; but at that time he frankly stated that constitutions would have to go. I should like to read just what he said before the American Economic Association in December 1931 along that line:

We have a century and more of development to undo. The institutions of laissez faire have become so much a part of the fabric of modern life that the untangling and removing of their tissues will be almost like dispensing with civilization itself. We shall all of us be made unhappy in one way or another; for things we love, as well as things that are only privileges, will have to go. But we shall have to see, no doubt, a wholesale sacrifice of such things, like it as little as we may.

And again:

The first series of changes will have to do with statutes, with constitutions, and with government. We shall be changing once for all, and it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police power for enforcement.

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant.

Furthermore, we shall have to progress sufficiently far in elementary realism to recognize that only the Federal area, and often not even that, is large enough to be coextensive with modern industry; and that consequently the States are wholly ineffective instruments for control.

Mr. President, those are the words of Professor Tugwell himself. If they mean anything at all, they mean that Professor Tugwell would abolish the Constitution of the United States. He says a century and more of development must be undone. Those means by which we have become great, notwithstanding the sackcloth and ashes in which we find ourselves today, nevertheless we are still the greatest nation on the face of the earth—all these instruments of development must be done away with, says Dr. Tugwell. Constitutions must go. That, of course, means the Constitution of the United States as well as the constitutions of the various States. State lines must be obliterated entirely, completely effaced. The State will become merely a memory.

If Dr. Tugwell's words mean anything, they mean just that.

Mr. President, Dr. Tugwell unquestionably occupies a commanding influence in this administration. Many people believe he is the closest adviser of the President. Many people believe he has greater influence with the Chief Executive than any other single man or even group of men. If that be true, it seems to me if the Senate of the United States believes in the traditions that have brought us to our present greatness, if the Senate of the United States believes in the Constitution of the United States, if the Senate of the United States believes in the things in which the American people believe with their whole heart and soul, then the Senate of the United States ought not to give a vote of confidence to this man to give him even more influence with the Government than he has at the present time.

Suppose he had his way, and he could abolish the Constitution of the United States; what, then, would be the situation in this country, Mr. President? I may say that this is not an idle dream, in the minds of many people. Great numbers of Americans today believe the Constitution is in a fair way to be abolished. Liberties have been taken with it that no administration ever undertook before, and the Congress of the United States really has aided and abetted it. In any event, it has sat by and permitted the inroads on the Constitution to take place.

If Mr. Tugwell has his way, and the Constitution is finally abolished, then what is our status? Then we have a complete dictatorship. Eliminate the Constitution of the United States from our system of government, and we have an executive dictatorship. There is no other plan; and this administration then would be forced to seize the powers of dictatorship, whether it desired to do so or not, in order that there might be law and order in the country.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. No; I cannot yield to the Senator now. I have only 15 minutes. I should like very much to yield.



The PRESIDING OFFICER (Mr. MCGILL in the chair). The Senator declines to yield.

Mr. ROBINSON of Indiana. So, Mr. President, that is the end that Dr. Tugwell would reach—the elimination of the Constitution of the United States. It must go; and when it is gone, we have no balance; we have nothing but chaos. There must be a system of government; there must be a system of law and order, all of which is prescribed today by the Constitution. Abolish the Constitution, and what have we left? Someone must exercise authority. Whom would it be? A dictator—an executive dictator. There is no other way out.

Mr. President, the history of dictatorships all over the world has been that the average man suffers most and the man farthest down. It is not the man with money; it is not the man of great wealth. A million dollars can always take care of itself, whether we have a dictatorship, an oligarchy, a republic, or a monarchy. But the man farthest down, the average man, who needs protection on the part of his government, is the man who invariably suffers most when a dictator rules.

Consequently, Mr. President, I think I would be derelict in my duty, indeed, utterly negligent, if I did not vote against the confirmation of a man for an office of greater power, higher title, whose views are in the direction of the abolishment of constitutions, which could only mean the erection of dictatorships.

Dr. Tugwell made other statements at the time to which I have referred. He said:

There is no private business, if by that we mean one of no consequence to anyone but its proprietors; and so none exempt from compulsion to serve a planned public interest.

Again:

The essence of business is its free venture for profits in an unregulated economy. Planning implies guidance of capital uses; this would limit entrance into or expansion of operations. Planning also implies adjustment of production to consumption; and there is no way of accomplishing this except through a control of prices and of profit margins.

Again:

It is, in other words, a logical impossibility to have a planned economy and to have businesses operating its industries, just as it is also impossible to have one within our present constitutional and statutory structure. Modifications in both, so serious as to mean destruction and rebeginning, are required.

Then he referred again to the abolishing of business, and said:

This amounts, in fact, to the abandonment, finally, of laissez faire. It amounts, practically, to the abolition of "business."

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant.

So Dr. Tugwell would eliminate business and the business man. In other words, he subscribes thoroughly to the Russian system. That is Russian communism, and to that system I am convinced the great majority of the American people are opposed. I think that if it were left to the people of the country today, so thoroughly do they distrust Dr. Tugwell that there would be no question in the world about his confirmation. It would certainly be refused.

Not only that, but, from his own statement, he would eliminate the farmer. Let me read from an article published in Labor, a national weekly newspaper published in Washington, D.C., the issue of January 9, 1934:

"We are preparing", Tugwell declared, "a land program not merely for the benefit of those who hold title to it, but for the greater welfare of all the citizens of the country."

The Government, Tugwell insists, cannot go on forever paying farmers not to plant, and the alternative, he says, is to buy excess land and retire it until there is demand for its cultivation.

One of the startling statements by Tugwell is that we can raise all the food we need with half of our present farmers, or only about 12½ percent of our working population.

"We envisage", says Tugwell, "a commercial agriculture made up of the most efficient farmers operating the best of our lands, with the remaining land being put to other uses and the unneeded farmers devoting their time to other occupations."

In other words, by his own statement, he would take farms away from the owners, he would undertake to say, himself, which are efficient farmers and which are inefficient, and all those placed in the category of inefficiency would be deprived of their farms. That is his own statement. The unneeded farmers, said he, would have to devote their time to other occupations.

Mr. President, with 12,000,000 men walking the streets looking for jobs, what other occupations would Mr. Tugwell place farmers in? Where is he to get jobs for the farmers from whom he proposes to take their land?

These, it seems to me, are vital reasons why a man of this sort should not aspire to higher position in the Government, and it is rather surprising to some who think, at any rate as I do, that the President of the United States would even seek to give this man greater authority and greater power.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CUTTING. Mr. President, I am sure that the Senator from Indiana would not willingly misquote anyone, and therefore I think it rather unfortunate that he should base his opposition to the confirmation of Dr. Tugwell on a speech which he evidently has not read in its entirety, because if the Senator from Indiana had done so, it would be perfectly apparent to him that, according to Mr. Tugwell, the abandonment of constitutions and statutes and the other terrible things mentioned would happen only in case a country should adopt the system of national planning which Mr. Tugwell, in the first part of his speech, had adequately defined, a system of national planning along the lines of the Russian system.

I am perfectly willing to concede that terms like "national planning" and "planned economy" are rather vague terms, and, from passages quoted from various speeches and various books, it is apparent that Mr. Tugwell has at times used identical words with a somewhat different meaning. That is perhaps an inconsistency; but if so, it is purely a verbal one and does not, in my judgment, affect the merits of the question before us.

In the hearing, if we can dignify the proceeding of Monday by such a term, Mr. Tugwell was subjected to a cross-examination on particular words and particular sentences drawn from various speeches, which I do not believe anyone could possibly have gone through without involving himself in occasional technical inconsistencies. That, to my mind, is all that can be said against the position he took on Monday before the committee.

The only other argument that has been presented to us is the argument of the Senator from Virginia [Mr. BYRD], who is opposed to certain amendments to the Agricultural Adjustment Act which, after considerable discussion, were reported favorably by the Committee on Agriculture and Forestry.

According to the Senator from Virginia, Mr. Tugwell admitted in a letter to him that he had previously violated the law and that these amendments were necessary in order to enable the Department of Agriculture to do what they had previously been doing without warrant of law.

Under the limitation of 15 minutes, I have not sufficient time to read the letter in full, but I shall quote a few sentences from it to show that it means exactly the reverse of the interpretation given it by the Senator from Virginia. Said Dr. Tugwell in the letter:

We have worked out marketing agreements which are benefiting producers of fluid milk, rice, peanuts, tree fruits, oranges, tobacco, and many other products. The progress of these operations is always subject to attack in the courts, and there have been several occasions when they were delayed for considerable periods pending the outcome of the court decisions. The orange-control work was the one to date which has been most seriously held up. The decisions of the courts, when finally obtained, have been generally favorable in all cases so far, so that it appears that what we are doing is in conformity with the policy laid down by Congress as set forth by the law and is so generally understood by the courts. If, however, Congress were to definitely spell out the powers under the act, as suggested in the amendments already proposed, that

would give farmers still greater confidence in the successful carrying through of the operations which we have already undertaken. It was with that idea in mind that I stated at the press conference that we regarded the amendments not as widening our powers but rather as clarifying what the act already authorized us to do. It was also in that connection that I stated that certain of the amendments simply permitted us to do what we are already doing.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. ROBINSON of Arkansas. With the indulgence of the Senator for a moment, I may say that I have made an analysis of the amendments to the Agricultural Adjustment Act, to which reference has been made by the Senator from New Mexico and the Senator from Virginia, as they were reported by the Senator from South Carolina, and I find that in almost every instance the Senator from South Carolina in his report on the bill justifies the proposed amendments on the ground that they make clear the authority of the Secretary under the existing law and make clear the meaning of certain provisions of the law.

In other words, the criticism which has been made by the Senator from Virginia [Mr. BYRD] and other Senators of Mr. Tugwell's statement that they were largely clarifying amendments, is not supported by the report of the committee, which is that with the exception of certain of the amendments plainly constituting helpful changes in existing law they are to make clear the present provisions.

Mr. CUTTING. Mr. President, I am glad to have that contribution from the distinguished Senator from Arkansas [Mr. ROBINSON].

I should not wish, however, to take any position myself as to whether those amendments are properly described by the word "clarifying." I am inclined to think that perhaps the word was used in rather a broad sense, and that these amendments do add to the powers contained in the original act. But that is simply a question of opinion on which any two Senators might differ, and it is certainly fair to say that the contention which Mr. Tugwell has made about these amendments is in exact conformity with the statements made by his chief, the Secretary of Agriculture.

I think there is no doubt in the mind of anyone here that that interpretation is also held by the President of the United States, and that Dr. Tugwell, whether as Under Secretary or as Assistant Secretary, is not in a position where he could possibly take any stand with regard to questions of policy without the consent and approval of his superior officers.

It certainly is not an objection to the confirmation of a man that he is carrying out to the best of his ability the policy laid down for him by those whom he is serving, and that it seems to me is all that can be made out of the argument of the Senator from Virginia [Mr. BYRD].

I want it clearly understood for my own part, Mr. President, that my support of this nomination does not necessarily imply any agreement with the views of Dr. Tugwell on those amendments or on any other subject. I reserve the right to vote against those amendments or other proposals of the Department of Agriculture whenever I feel that my duty leads me that way. Nor do I wish to endorse all the policies which Dr. Tugwell has laid down. I specifically disagree with the policy of crop reduction, and insofar as that represents the views of Dr. Tugwell I am in opposition to him.

But those are not the questions with which we have to deal when we come to the confirmation of an appointee. There is no question in the world about Dr. Tugwell's ability, about his character, or his honesty of purpose, or his capacity, and insofar as opposition is based on the policies which he is advocating, that opposition in my judgment would be much more effective and much more creditable to the opponents if they would proceed to attribute those policies to those truly responsible, to persons higher up, whom they are actually attacking under cover of Dr. Tugwell. Of course, Mr. President, we all of us have a right to oppose any policy laid down by anybody, no matter how highly

placed, but I think that as Senators it is more in consonance with the dignity of our position to make the attack openly and state our position plainly, and not to make it under cover of a vote against the nomination of a subordinate official whose personal character we are unable to criticize.

Mr. FESS. Mr. President, before the hearings were conducted by the Committee on Agriculture and Forestry I had planned to go rather extensively into the philosophy of the nominee. For 2 weeks I have been endeavoring, as time permitted me, to reread his utterances. I read them carefully and intended to point out and comment upon the items with which I do not agree. But last night when I had the opportunity to speak it was so late, and every one was so tired, that I preferred not to go on, and I yielded to the limitation of debate because of the desire to have expedition. I recognize that such action would forbid my giving an analysis of the theories of Dr. Tugwell as he has expressed them in several publications.

The best thing he has written is *The Industrial Discipline*, and if anyone will read the chapter on the subject, Government and Industry he will get a very concise view of Dr. Tugwell's philosophy, with which I do not agree.

In that particular treatise he deals extensively with the social will; then with regulation and control—meaning Government control; then the Government's responsibility in the matter of industry. I especially wish that every thoughtful Senator—and they are all thoughtful—would read his discussion of the allocation of capital; how much capital should be permitted to go into industry, how much should be permitted in this particular branch of industry and in that particular branch, and just where the responsibility is to permit capital to go into industry.

Then the discussion continues with regard to the movement toward integration, leading to a gradual elimination of State lines and the country becoming gradually one unit. He discusses the objections to that, which will have to be overcome. He says that those who favor the old philosophy of *laissez faire*, those who defend State lines and, lastly, the vested interests, will make it difficult to integrate the whole United States.

Then follows a rather exhaustive discussion of price control, and so on.

It is not necessary, Mr. President, now that committee hearings have been had, to make any comment upon this new theory. There are two reasons why I do not want to do so. One is that the subject has been fairly well covered by other Senators who have spoken, and it is not at all of any value to repeat what they have stated. The other reason, and certainly that is a commanding reason, is the statement of Dr. Tugwell, that what was said to be his statement was merely the statement of the reporter; that it did not represent his views. It matters not, Mr. President, how much his apologists here on the floor try to make out that there is no contradiction between what he wrote and what he now says he did not believe; nevertheless, there can be one conclusion on that matter.

Mr. President, if Dr. Tugwell believes what he stated here I would not in a time of crisis vote to give him administrative authority. After he has stated what he did, the fact that he says now that he did not mean it, that it is not so, and it does not represent his views, would indicate that there is such a lack of mental integrity that I could not support the confirmation of his nomination.

So far as I know, no nominee has come up for nomination whose nomination I have not supported, because it is my theory, and it is my practice to follow that theory, that the President ought to be supported in the execution of the laws with which he is entrusted and I do not think it is either wise or commendable, unless there is some distinctly good reason for it, to refuse to confirm someone whom the President would like to appoint to administer the law. So it has been my unbroken practice not to contest the confirmation of Presidential nominations. However, after the hearings in this case, which I have taken all yesterday and last night and some time this morning to read, there is sufficient objection in my mind to prevent my going along



with those who will vote for the confirmation of Dr. Tugwell's nomination.

I am not going to be influenced in any way by any utterances on this floor by anyone as to what my motive is in voting for or against this nomination. Those who charge that there is purely a political motive would certainly not make such a charge against certain Senators who have spoken and who will vote against the nominee, and the statement that we are trying to attack someone above under the guise of attacking someone below has no foundation, so far as I am concerned.

Mr. President, if the people were as well acquainted with the general attitude of college professors as I am they would not be surprised at the ease with which statements made on occasions to public audiences may be retracted when the responsibility comes of putting into operation the philosophy enunciated.

A college professor is in the business of teaching. His business is not to give information. His business is to discipline the mind of his pupils. That is the field of his activity. Therefore the greatest opportunity for instilling that discipline is afforded by the inexact sciences and not by the exact sciences. We do not find dreamers teaching mathematics; we find them teaching sociology, ethics, and sciences, sciences that admit of possibilities in various directions. The chief means of strengthening the minds of young men and women is to have them engage in a line of investigation to which there is no end, to which there is no fixed limit. It is not necessary that it should be an investigation where finality may be achieved. It is the continual deferring of finality which affords the greater opportunity, in that the strengthening process comes from pursuit rather than possession. The college professor is not instructing his pupils in order that they may attain finality. He instructs them in order to give them power to think, and ability to think comes from the exercise of the thinking processes. Consequently, all kinds of theories, good and bad, are announced. There is no responsibility as to whether or not they are sound. That is not even a first consideration. A principle that is unsound in the classroom offers just as much opportunity to strengthen the mind by pursuit as one that is sound, and even more so, because the distance to which the mind goes is greater than in the case of a fixed principle.

That is the reason, Mr. President, why so few of the professional men in the universities ever keep their feet on the ground. There is no criticism to be indulged against these promoters of theories so long as the theories are being used merely as bases for the development of power to think. So long as those who enunciate them are kept at their own lasts within the limit of the classrooms they will be rendering a splendid service, because they are not teaching dogma; they are not in the attitude of doctrinaires, and are not attempting to produce the conviction. Universities are not for that purpose; universities are seminaries of ideas.

The ideas may be sound or they may be unsound, but that is not of concern; so long as the theory is limited in its influence upon those who are being taught, no particular harm follows; but when an individual whose mind is filled with vagaries, who has no certainty but only theory, is called to a position of responsibility where he may inaugurate some of his theoretical ideas and put them into actual practice, then the possibilities become very serious. That is our problem here.

I recognize that when the President of the United States announced the new deal, without specifying what it would be, it was quite natural for him to bring to his aid those in whom he had confidence. In order that he might be informed on money and financial matters, he brought one group of experts; and so we have the Warrens and the Rogerses. In connection with the consideration of agriculture, he brought another group, and so we have the Tugwells and others; and in the consideration of questions involving what ought to be done toward the rehabilitation and regimentation of industry, he brought another group of

young men. The President is not to be faulted for that; but when bringing a college professor to indicate what ought to be done as to agriculture, there ought to have been a sharp differentiation between the mere theorist whose function was teaching, without reference to whether what he taught as a theory was true or not—his function being to train the mind of the pupil—and the man who stands upon principles which are well accepted and which have been worked out in actual practice.

Mr. President, at a time such as this we are apt to seize upon theories that are untried. Depressions are not the time to try experiments, although they afford a fertile opportunity for every sort of nostrum that can be offered. As in the case of socialism, so long as there is prosperity within our midst, socialism cannot grow, but as soon as depression comes, socialism finds its field. That is what we now see.

**THE PRESIDING OFFICER.** The time of the Senator from Ohio has expired.

#### MESSAGE FROM THE HOUSE

As in legislative session,

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 9620. An act to improve housing conditions; to provide employment; to provide for the insurance of mortgages; to insure the savings in savings and loan associations and similar institutions; to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, the Federal Reserve Act, and the Farm Credit Act of 1933; and for other purposes; and

H.J. Res. 365. Joint resolution to amend the Settlement of War Claims Act of 1928, as amended.

#### REXFORD G. TUGWELL

The Senate resumed the consideration of the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture.

**MR. BANKHEAD.** Mr. President, I do not hope to make any substantial contribution to this debate. The question has been well covered, and I think every Member of the Senate probably has decided how his vote will be cast. Senators are anxious to vote and to proceed with the transaction of other business. I think everyone familiar with the situation here understands that when the votes shall be counted Dr. Tugwell will have from 20 to 30 majority and his nomination will be confirmed. It is likely that nothing which may now be said will change a single vote. I am therefore reluctant to take any time.

However, there is one phase of the situation as to which, as a member of the Committee on Agriculture and Forestry, I believe I should make a statement in fairness and in justice both to Dr. Tugwell and to other representatives of the Department of Agriculture.

The Senator from Virginia [Mr. BYRD] has repeatedly stated—he has stated it on the floor and in public speeches—that one of his objections to the confirmation of Dr. Tugwell was a public statement by him in which he designated proposed amendments to the Agricultural Adjustment Act as "clarifying amendments." The implication has been drawn that by reason of the use of the word "clarifying" Dr. Tugwell has sought to impose upon members of the Committee on Agriculture and upon the Members of Congress, because, under the construction of the Senator from Virginia, the amendments are more than "clarifying."

That seems to be a most technical and narrow construction of the English language and a hypercritical criticism of the use of terms, and while frankly I think there is more in the proposed amendments than mere clarification, it seems to me indeed strange that a Member of the Senate should base his criticism and his objection to the confirmation of a nomination to high office upon that ground.

**MR. BYRD.** Mr. President—

**THE PRESIDING OFFICER.** Does the Senator from Alabama yield to the Senator from Virginia?

**MR. BANKHEAD.** I yield.

Mr. BYRD. I know the Senator from Alabama does not want to do me an injustice.

Mr. BANKHEAD. I certainly do not.

Mr. BYRD. All I said was that Dr. Tugwell had given out a public interview in which he stated that—

The amendments would permit us to continue to do what we are already doing, and if we should get a setback in court we would have to stop doing certain things under certain circumstances.

Mr. BANKHEAD. Of course the Senator said that, but that is not all he said.

Mr. BYRD. I said that the officials of the Department of Agriculture had said the amendments were clarifying, and in the interview of Dr. Tugwell to which I referred he had said that the amendments "would permit us to do what we are already doing." I say if that is true, then he is exceeding the authority given him by Congress.

Mr. BANKHEAD. The Senator has made no charge against Dr. Tugwell for the use of the word "clarifying." Is that correct?

Mr. BYRD. If the Senator will read the RECORD of last Saturday, he will see that I said then that by reason of Dr. Tugwell's reply to my letter, in which he said "we are merely continuing to do what we have already done", he was exceeding his authority, and therefore I could not vote for his confirmation.

Mr. BANKHEAD. That is one ground the Senator has interposed, but I have asked directly if he made any charge against him for using the word "clarifying" in a misleading sense.

Mr. BYRD. I say that not only Dr. Tugwell but Chester Davis, and other officials of the Department, have stated the amendments are merely clarifying, when as a matter of fact they are not clarifying.

Mr. BANKHEAD. That is what I wanted brought out. The Senator admits it.

Mr. BYRD. I cannot permit the Senator from Alabama to place me in a false position before the Senate.

Mr. BANKHEAD. I have no desire to do so.

Mr. BYRD. My statement with respect to the matter is in the RECORD of last Saturday when I published the reply of Dr. Tugwell to the letter I had written him.

Mr. BANKHEAD. There is no occasion on earth to draw any implications of deception or misleading conduct against Dr. Tugwell on account of the use of the word "clarifying." If my memory serves me aright, such an implication has been drawn. The word "clarifying" was brought into the case by Secretary Wallace in his first statement before the committee, in which he said:

The amendments propose to clarify and make more explicit the powers already exercised in behalf of the farmers under this act.

The same statement was made by Mr. Chester Davis and the same statement was made by the attorney for the Department long before Dr. Tugwell made any declaration upon the subject as carried in the newspapers, which since that time has been the basis of the criticism against Dr. Tugwell.

Mr. CUTTING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New Mexico?

Mr. BANKHEAD. I yield.

Mr. CUTTING. In order to substantiate what the Senator has said, may I invite his attention to the following quotation from what the Senator from Virginia [Mr. BYRD] said on Friday last:

This question that I am discussing involves the good faith of Dr. Tugwell and the Secretary of Agriculture in saying to the people of this land that they are asking for clarifying amendments, when in fact these amendments confer great additional authority upon the Secretary of Agriculture.

Mr. BANKHEAD. I thank the Senator.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BANKHEAD. I cannot yield. My time is so limited.

Mr. BYRD. Will the Senator from New Mexico read what I said subsequent to that statement?

Mr. BANKHEAD. I decline to yield further.

The PRESIDING OFFICER. The Senator from Alabama declines to yield.

Mr. BANKHEAD. Mr. President, the suggestion having been made that someone connected with the Department has misused the word and misinformed or misled Members of Congress is not justified by the conduct of the officials of the Department of Agriculture. Secretary Wallace, Mr. Davis, and the attorney for the Department came before the committee. The committee held open public hearings for 4 days. We then went into executive session, and my recollection is we were in executive session 2 days more, with officials of the Department attending the meetings, explaining from time to time when called upon for information about the reasons for particular amendments. Every word in the proposed amendments was given careful attention by the committee, and full deliberation and full discussion was had, with perfect frankness on the part of the officials of the Department of Agriculture.

Mr. HATCH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New Mexico?

Mr. BANKHEAD. I yield.

Mr. HATCH. The Senator from Alabama will recall that the committee first prepared an amendment to the Agricultural Adjustment Act. The amendment which the committee had prepared was discussed with Mr. Davis and the attorney from the Department. They explained to us the full purport of the amendment which they had prepared, and what would be the effect of the amendment we offered, which was limited. No one in the committee was misled at all.

Mr. BANKHEAD. Not in any sense of the word.

Mr. HATCH. After that explanation the committee dropped further consideration of the amendment which the committee had drafted, and adopted the amendment which had been prepared by the Department of Agriculture.

Mr. BANKHEAD. That is correct, and that was done after full explanation and discussion with the representatives of the Department.

Mr. President, in the first place, Dr. Tugwell never came before the committee. I do not know why the matter has been brought into the discussion. So far as the committee is concerned, he had nothing to do with the preparation or advocacy of the proposed Agricultural Adjustment Act amendments. How that matter got into the discussion of the case I am unable to understand, upon any basis of fairness or justice to Dr. Tugwell, even from the standpoint of those who are critical of the proposed amendments.

It has been said that one ground of objection to Dr. Tugwell is the fact that he proposed to continue doing things under the Agricultural Adjustment Act which he knew the Department was not justified in doing under that act. I deny any such statement. Dr. Tugwell made no such statement. There is nothing in the record in this case upon which such an inference can fairly be based.

On the contrary, when charged by the Senator from Virginia [Mr. BYRD] with proposing to continue doing such things which the Department was not authorized under the law to do, Dr. Tugwell, in the open hearing, as shown by the printed record of the hearing, said they believed they were justified in doing everything that had been done; that they believed the Congress so understood when the original act was passed, and that the chief reason now for desiring the amendments was because certain lawyers had raised questions which involved the power of the Department to do things which they had done. But Dr. Tugwell proceeded to point out that in the five cases which had gone to the courts and which had been fully argued by counsel and decided by the courts, every one of the five decisions was favorable to the exercise of the power which the Department of Agriculture had sought to exercise.

Mr. President, I submit it is a far-fetched conclusion to assert that because questions had been raised and because, out of an abundance of caution and prudence, the Department desired to eliminate with certainty the arguments and objections which had been made against the



exercise of these powers. I submit that does not justify any reasonable or fair ground for voting against the confirmation of Dr. Tugwell. If Secretary Wallace or Mr. Davis or the attorney for the Department came here for confirmation, the confirmation of his nomination might well be opposed because forsooth he was acting under advice that his actions were justified under the law.

Here is the same man whom the Senate confirmed a little more than a year ago by unanimous vote to perform the same duties he will perform if confirmed upon this occasion.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Missouri?

Mr. BANKHEAD. I yield.

Mr. CLARK. The Senator has just admitted tacitly that the only purpose in the creation of this office is to increase Dr. Tugwell's salary.

Mr. BANKHEAD. I have made no such admission, none whatever, directly or tacitly, and the Senator ought to know it.

Mr. CLARK. The Senator said Dr. Tugwell, if confirmed, would perform exactly the same functions he is now performing. Therefore, the only difference that can possibly be found in the situation is that the purpose is to bring about an increase of salary for Dr. Tugwell, and that, too, in these times when the compensation of World War veterans—

Mr. BANKHEAD. Mr. President, my time is so limited that I cannot have it taken up with an argument like that, which does not need an answer. It answers itself.

Mr. CLARK. Of course, the Senator cannot answer it. That is the reason why he will not yield.

Mr. BANKHEAD. If the Senator will give me 2 minutes more time, I will answer it.

Mr. CLARK. I shall be glad to take the floor at the conclusion of the Senator's remarks and yield him 2 minutes.

Mr. BANKHEAD. All right; I thank the Senator. I will do it then. I shall be glad to do it.

Mr. President, in the first place, I am glad Dr. Tugwell is to get a promotion and an increase in his salary, because I believe his faithful, conscientious, efficient services in the Department of Agriculture, giving his time, giving his talents, giving the benefit of his long training and study in agricultural questions, deserve consideration of that character where it is consistent with the public interest and within reasonableness to do what is proposed to be done. But, Mr. President, since the inauguration of Mr. Roosevelt the activities of the Department of Agriculture have been increased probably more than those of any other department of the Government. True and faithful to his declarations and his philosophy that our recovery must be based upon the rescue of agriculture in this country, President Roosevelt has, by the legislation proposed by him and enacted by Congress, set on foot numerous agencies to endeavor, at least, to bring benefits and advantages to all classes of agriculture in this country.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. BANKHEAD. Give me 2 minutes.

Mr. CLARK. Mr. President, of course the Senator from Alabama did not comply with the terms of my request by yielding to me to finish my statement; but I shall be very glad to yield to him to conclude this very eloquent defense of Dr. Tugwell in my time.

The PRESIDING OFFICER. The Senator from Missouri is recognized in his own right.

Mr. CLARK. I yield to the Senator from Alabama.

Mr. BANKHEAD. I am proceeding now, I will say, in good faith to answer the Senator's question as to why this office was created.

Mr. CLARK. The Senator did not permit me to conclude my question, but cut me off by a refusal to yield further. Now, if the Senator wishes to conclude his eloquent defense I shall be glad to permit him to do so in my time.

Mr. BANKHEAD. I thank my good friend from Missouri very much.

Mr. President, while it is entirely immaterial, since it is now written into the law, I am proceeding to explain the reasons for the creation of this office. Dr. Tugwell stated that he was not consulted about it. Dr. Tugwell stated that he was not even informed that he was to be appointed; but the Secretary of Agriculture came before the committee and pointed out what I was describing when my time expired, namely, the very great increase in the activities of the Department of Agriculture.

I am not now discussing whether the expansion of the Department's activities was wise or unwise. I am dealing with the facts, with the administration of the agencies that have been set up, and under which a bona fide effort is being made, at least, to benefit agriculture in this country. It was pointed out that every other department of the Government had more Assistants than the great Department of Agriculture, with more employees, with more activities, with more far-flung responsibilities than almost all the other departments combined. Even the Department of Labor had more than two Assistant Secretaries, I believe. Some departments have three and four, and perhaps five. Here was this great Department standing as it stood back in the early days, when agriculture was given no substantial recognition in this country, with one assistant alone, with only two persons—the Secretary and the Assistant Secretary—authorized to sign official papers relative to the activities of that great Department.

Mr. CLARK. Mr. President, I think the Senator has used the 2 minutes which I promised to give him.

Mr. BANKHEAD. I do not blame the Senator for wanting to cut me off.

Mr. CLARK. The Senator did not permit me to state my question. The Senator, I think, has unwittingly not only answered my question but corroborated my remarks with which I interrupted his speech.

The only purpose of this species of legislation, as it appears from the Senator's own statement, is to increase the salary of Dr. Tugwell. If it had been necessary for the Department of Agriculture to have further Assistant Secretaries, a proposition to that effect might have been sent in in ordinary course, and might have been acted on in the usual way by the Congress. That was not done, because that would not have increased the salary of Dr. Tugwell. The creation of the offices of additional Assistant Secretaries of Agriculture would have left Dr. Tugwell drawing exactly the same salary he was already drawing as Assistant Secretary of Agriculture.

A recommendation for the creation of the office of Under Secretary was made and referred, under the rules of the Senate, to the proper committee having jurisdiction over it—the committee of which the Senator from Alabama [Mr. BANKHEAD] is a distinguished member, and the Senator from Nebraska [Mr. NORRIS], and the Senator from New Mexico [Mr. CUTTING], and other Senators who have spoken today on behalf of this nominee. Before the committee had even had a chance to act on the matter, surreptitiously, and in violation of the rules of the Senate, it was brought in here and slipped over when it was known that if any notice had been given, if even a reference to the subject had been made to the chairman of the committee having jurisdiction of the subject matter, a point of order would have been made against the amendment.

Mr. RUSSELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Georgia?

Mr. CLARK. I gladly yield to the Senator from Georgia.

Mr. RUSSELL. The Senator from Missouri states that the amendment was brought in here surreptitiously and in violation of the rules of the Senate. The Senator from Missouri is a very able parliamentarian. For a long time he served as the distinguished Parliamentarian of the House of Representatives. Does the Senator from Missouri think



this amendment was adopted in violation of the rules of the Senate?

Mr. CLARK. I say that when the Committee on Appropriations go outside their jurisdiction, and by committee action authorize the chairman of the subcommittee to offer an amendment in this body which is known to every member of the committee to be subject to a point of order, they are violating the rules of the Senate unless they make public announcement of the fact before the amendment is offered. I not only say that but I adhere to it.

Mr. RUSSELL. But there was no violation of the rules of the Senate. Under the rules of the Senate, any amendment can be offered to an appropriation bill; but it is subject to a point of order, which can be made by any individual Member of the Senate.

Mr. CLARK. Of course, that is perfectly true. I say to the Senator, however, that in my judgment, it is exceedingly bad practice for the Committee on Appropriations to transgress on the legislative jurisdiction of other committees, and to bring in propositions and offer them here as committee amendments without notice to the Senate.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senator from Georgia [Mr. RUSSELL] on another occasion explained fully the history of the amendment creating the office of Under Secretary of Agriculture. In my judgment there is no justification for the implication and the assertion which the Senator from Missouri has made that the amendment was brought in here and "slipped over." It was proposed by the Senator from Georgia. No objection was made to it. It was voted in by the Senate just as hundreds, aye, thousands of other amendments have been adopted to various general appropriation bills.

We pass measures here every day by unanimous consent. Yesterday we passed 330 bills and resolutions by unanimous consent. Any Senator could have objected to the consideration of any bill that was passed; and I think it is an injustice to the committee to have the statement made that anything was "slipped over."

Mr. CLARK. Mr. President, I cannot permit the Senator to make a speech in my time. My time is very limited.

Mr. ROBINSON of Arkansas. I thank the Senator for yielding.

Mr. CLARK. I am just as familiar as the Senator from Arkansas is with the fact that anything can be done in the Senate by unanimous consent. On the other hand, I submit that bringing in a substantive proposition of this sort, which raped the jurisdiction of the Committee on Agriculture and Forestry, and putting it on an appropriation bill without any notice, was, I think, a violation of correct parliamentary practice.

Mr. CONNALLY. Mr. President—

Mr. CLARK. Now I desire to make some remarks. I shall be glad to yield to the Senator if I have time before my time expires.

I simply desire to say that when the roll is called I intend to vote against the confirmation of Dr. Tugwell. I intend to do that not because of any examination of the numerous published books, magazine articles, syndicated newspaper articles, or other authorized interviews with Dr. Tugwell, because, unlike the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. BYRD], I have not taken the trouble to read through them. As a matter of fact, the only one of Dr. Tugwell's published articles or speeches that I have taken the trouble to read through was the one inserted in the RECORD the other day at the suggestion of the Senator from Oklahoma [Mr. GORE]; and I am perfectly frank to say that that speech was so involved that when I got through reading it I did not know what he was talking about. [Laughter.] It is entirely possible that that speech may have meant what he apparently said he meant. It may have meant what the Senator from North Carolina thought he meant, what the Senator from Virginia thought he meant, what I thought he meant; but it was

also sufficiently involved and sufficiently erudite that it might possibly honestly be subject to the construction which Dr. Tugwell later put on it in his testimony before the Committee on Agriculture and Forestry, which on its surface appeared to be a recanting of the doctrine expressed in his speech.

I intend to vote against Dr. Tugwell's confirmation, Mr. President, on an entirely different ground.

I agree with what has been said here by the Senator from Nebraska [Mr. NORRIS] and other Senators to the effect that in the Senate's action on nominations by the President the President must necessarily and properly be given a very wide latitude. I adhere entirely to that proposition. On the other hand, I also adhere to the view that when the framers of the Constitution included in the Constitution the provision that nominations for certain offices should be made by and with the advice and consent of the Senate, they did not intend that to be a meaningless phrase; they meant that the Senate, in proper cases, should exercise some independent view of the matter.

Therefore, Mr. President, I adhere to the view that where a man is proposed for a most important office whose expressed policies and indicated course of action are such that a Senator sworn on his own oath believes them to be dangerous or inimical to the welfare of the United States, it is his duty under his oath of office to oppose him.

That was the view taken by the Senator from Nebraska [Mr. NORRIS], the Senator from New Mexico [Mr. CUTTING], and the other Senators when they opposed the confirmation of Mr. Chief Justice Hughes for the Chief Justiceship of the Supreme Court of the United States. In that case, as in this, no question was raised as to the character of the nominee; no question was raised as to the ability of the nominee; and no question was raised as to the good faith of the nominee. Senators did not believe that the course of conduct which the nominee had theretofore indicated was such as to justify them in voting for his confirmation, and they therefore voted against it.

Such is my position as to Dr. Tugwell. I have no personal animus whatever against Dr. Tugwell. I have said frankly that I have not read the numerous books and magazine articles for which he is being criticized, but I did have a personal experience with Dr. Tugwell, not as a matter of theory, when he was expressing himself before a scientific body or an economic body of some sort, but, in the exercise of his official duty as Assistant Secretary of Agriculture, I heard Dr. Tugwell enunciate a doctrine which, to my mind, under our present Constitution and under our present laws, showed him to be a dangerous public official.

I had occasion, a few days after the present administration came into office, to escort to the Department of Agriculture a group of constituents of mine who were protesting against a rate which had been put into effect 2 days before the late Secretary Hyde left office, a rate having to do with charges to be made by a stockyard in the Middle West; a rate which men whom I had known and in whom I had confidence for more than 30 years alleged to be confiscatory; a rate which, it was alleged, had been put into effect by Secretary Hyde 2 days before he left office out of pure revenge for certain action these people had taken in the course of the last political campaign.

It was not my business to try the case for my constituents. I may say that the complainants involved not only the old-line members of the livestock exchange at East St. Louis but also the largest farm cooperative in my State, one of the largest farm cooperatives in the United States. As I have said, it was not part of my business to try the case for them. It was part of my business to see that they got a day in court if it was possible for them to have it.

I took them to the Department. That was the first time I ever met Dr. Tugwell, and it was the only time I ever had any conversation with him. In the course of the proceeding the attorney for the protestants remarked that in the whole course of the hearing it had been absolutely impossible for them to find out even the elements which were to enter into fixing this rate, which involved their business



and financial life. They said that every time they would try to develop, by proper questions, even the elements that were to go into fixing the rate, a bureaucratic solicitor from the Department of Agriculture would object, and an examiner appointed by the Department of Agriculture would sustain the objection on the ground that it involved a Department secret. That seemed, to my view, a very severe attack on the whole proceeding, and, to my utter amazement, Dr. Tugwell said—and, as I say, this was the first and last conversation I ever had with him—

I cannot see that in a system of national planning either the capital investment or the cost of operation has anything to do with fixing a rate.

I said:

Mr. Secretary, it seems to me that if you were engaged in any sort of business, particularly a business like this, whether as an old-line operator or as the representative of a cooperative, the amount it was necessary for you to invest to carry on the business and the necessary cost of the operation of rendering the service which you were supposed to render would have a great deal to do with the price at which you could afford to perform this service.

He said:

I still cannot see that in a system of national planning either the capital investment or the cost of operation has anything to do with it.

Mr. President, in the case of a man who is invested with this tremendous power, under our system, I hold that to be subversive of the Constitution of the United States and of the statute under which he is operating. Therefore I shall vote against the confirmation.

Mr. RUSSELL obtained the floor.

Mr. LONG. Mr. President, inasmuch as at least 10 minutes of the time of the Senator from Missouri was taken up by other Senators, I ask unanimous consent that the Senator from Missouri be given at least 5 more minutes.

Mr. CLARK. Mr. President, I have concluded my remarks. I have nothing further to say.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 852. An act to amend section 24 of the Trading with the Enemy Act, as amended;

S. 1735. An act to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims";

S. 3147. An act to amend the act approved June 28, 1932 (47 Stat. L. 337); and

S. 3723. An act to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8912) to amend section 35 of the Criminal Code of the United States.

The message further announced that the House had passed the bill (S. 2248) to protect trade and commerce against interference by violence, threats, coercion, or intimidation, with amendments, in which it requested the concurrence of the Senate.

#### REXFORD G. TUGWELL

The Senate resumed the consideration of the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture.

Mr. RUSSELL. Mr. President, the Senator from Missouri charges upon the floor of the Senate that the amendment creating the office of Under Secretary of Agriculture, the nominee for which is now under consideration, was enacted into law through surreptitious means. That statement, and the implications therein contained, are wholly without foundation and wholly untrue, as will be borne out by the records of the Senate, which are printed not only for the benefit of the Members of the Senate but for the benefit of the people of the United States generally.

The CONGRESSIONAL RECORD for March 14 of this year will show that this amendment was offered on the floor of the

Senate when the Senate was regularly convened in session. The Members of the Senate not engaged in other duties were present in their places, and the amendment was adopted, and no point was raised against it.

Mr. President, it comes with ill grace for one who is a boasted parliamentarian to come in at this late date, 2 or 3 months after this action of the Senate, and complain that he had no notice as to the amendment, when he boasts of his parliamentary prowess and rises continually on the floor of the Senate to urge points of order.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK. The Senator from Missouri asserts that he has never uttered any boast, either publicly or privately, of being a dictator or a parliamentary expert.

Mr. RUSSELL. The Senator has offered more parliamentary points of order since he has been a Member of this body than all of the other Senators combined.

Mr. CLARK. Mr. President, that is not true; but I will say that I could offer a parliamentary point of order at this time if I cared to do so.

Mr. RUSSELL. Yes. The Senator from Missouri was not in his place, where he belonged, to offer a point of order at the time the amendment was pending, but he comes in 3 months later and says he did not know what the other Members of the Senate were doing, and did not find out about it until the name of Dr. Tugwell came before the Senate.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK. I am perfectly willing to submit to the judgment of the Members of this body as to whether I have not been in my place three times as much as has the Senator from Georgia.

Mr. RUSSELL. The Senator from Georgia does not come in and whine when he cannot vote on matters. If I have been compelled to go to the various Departments of the Government to present the views of my constituents or to handle matters for them when matters have been voted on here on which I desired to register my views, I did not blame the Senate for not standing still and waiting for me to get here.

The Senator from Missouri contends that he had no notice that this amendment would be offered. Does the Senator think that the Committee on Appropriations should have sent him an engraved or embossed notice that it was going to have the Senate vote on March 14 on an amendment?

Mr. CLARK. Does the Senator contend that the Committee on Appropriations had any jurisdiction of this subject matter?

Mr. RUSSELL. I contend that the Committee on Appropriations as well as the Senate took jurisdiction of it.

Mr. CLARK. And raped the Committee on Agriculture and Forestry. That is exactly my contention.

Mr. RUSSELL. Mr. President, the amendment was adopted, and appeared in the CONGRESSIONAL RECORD. I realize that perhaps the Senator from Missouri could not have been in his place; but the Senator from Missouri knows, and knows far better than I do, that under the rules of the Senate at any time within 2 days thereafter a motion could have been made to reconsider the vote by which the amendment was agreed to.

There is no question but that Members of the Senate who cannot be here have the RECORDS of this body available for their information. We have one copy of the CONGRESSIONAL RECORD placed upon our desks, which we find when we arrive in the Senate. We find one at our front doors in the morning, and still another in our offices; and if the Senator from Missouri was not on the floor, he could have read the RECORD, and he would have found printed the amendment; and had he raised any question as to the fact that he could not be present and had been deprived of being heard upon the amendment, he could have made a motion for reconsideration of the vote. As the Senator in charge of the bill, I would have interposed no objection.

I cared nothing about the amendment when it was offered. The Senator says he had no notice. This was a farm bill, providing funds for the Department of Agriculture. The Senator from Missouri comes from a great agricultural State. The hearings before the Senate committee were printed and available for his information, full from end to end of discussion relative to the creation of this new office in the Department of Agriculture, available to any Member of the Senate; and if the Senator had desired to read the hearings, he could have seen that the matter was fully discussed by the Secretary of Agriculture and by other witnesses.

I have absolutely no apologies to make for the amendment. It was adopted under the rules of the Senate by the Senate itself, and I was no more enthusiastic about it than were some Members who now complain.

The hearings will show that I had pointed out to the subcommittee, and also to the Secretary of Agriculture, that the amendment was subject to a point of order, that any member of the Senate who desired to kill it could do so by one single objection, and that after that was pointed out to the subcommittee, they recommended it to the full committee, the full committee instructed me to offer the amendment on the floor, I did so, and it was agreed to.

Then the Senator from Missouri comes in and attempts to take the untenable position that he opposes the nomination of Dr. Tugwell because of the manner in which that amendment was adopted.

Mr. President, I hold no brief for Dr. Tugwell, but I do say that any opposition to the confirmation of any man appointed by the President of the United States should be based upon more tenable ground than the manner in which the amendment was adopted by the Senate. Surely Dr. Tugwell was not here to cast a spell over the Senate and the Senator from Missouri when the amendment was adopted.

Mr. President, on the subcommittee dealing with this question was the Senator from Alabama [Mr. BANKHEAD], who was a member of the Committee on Agriculture; the distinguished senior Senator from Montana [Mr. WHEELER] was a member of that committee by virtue of his rank upon the Committee on Agriculture and Forestry; the minority leader, the Senator from Oregon [Mr. McNARY], a former Chairman of the Committee on Agriculture and Forestry was also a member of the subcommittee as was the distinguished Senator from South Carolina [Mr. SMITH]. Therefore the Committee on Agriculture had the representation of at least four members on the subcommittee and two members on the conference committee which worked out details of the bill with the Members of the House. I do not think Senators should come in here 2 or 3 months later and say "I did not have the vaguest idea that this office was to be created", when we find in the CONGRESSIONAL RECORD, on page 577, that the matter was debated at great length on the floor of the House, and that the leader of the minority in the House, the Representative from New York, objected to the Senate amendment there because he said Dr. Tugwell would be appointed. It was still not too late then, if anyone followed the proceedings of Congress, to have used the proper parliamentary methods and brought the matter back before the Senate.

Therefore, Mr. President, I resent the statement that there was anything surreptitious or underhanded or out of order about it. As chairman of the subcommittee which handled this matter, which reported this amendment, I refuse to assume responsibility for the negligence of the Senator from Missouri when he comes in 3 months later and discovers what the body of which he is a Member has done in the creation of this office.

So much for that. On the pending question I shall vote for the confirmation of Dr. Tugwell. I do so, Mr. President, because in my judgment no reason has been presented here which would debar him from discharging the duties of Under Secretary of Agriculture. His name was submitted by the President of the United States. If any of these dire predictions which the Senators have made upon this floor

should come to pass I have enough confidence in the President of the United States to believe that Dr. Tugwell's position with the Government would be terminated immediately and that another would be appointed to fill his place.

Mr. HATFIELD. Mr. President, it is not my purpose to detain the Senate for long. On May 30, 1933, soon after the publication of the book by Dr. Tugwell, *The Industrial Discipline and the Governmental Arts*, I discussed the subject matter of that text in a speech on the floor of the Senate. I made certain forecasts at that time. I supplemented those remarks several days later on June 10, and from what has transpired since that time down to the present justifies my observations, Mr. President, that our Government, from the point of view of continued delegation of absolute authority to a chief executive, has been placed on a parity with the Governments of Germany, Italy, or even Russia.

Mr. President, if we are to compare the transformation that has taken place in our Government since March 9, 1933, resulting in the overthrow of the democracy that was enthroned under the principles of Thomas Jefferson, it would compare favorably, so far as dictatorial control is concerned, with the Hitler form of government in Germany, the Mussolini government in Italy, or, still better, the Russian form of government by Lenin.

We have all but been completely Russianized. We are at the present time in the Menshevik period of the "revolution" with Dr. Tugwell as the prophet.

Under the authority already granted or usurped, the stage has been set for the reign of the Bolsheviks. No further act of Congress would be needed to be completely on a par with the Soviets, excepting the federalizing of all our schools and the closing of the churches.

When I cast my vote upon this nomination, after 5 years of service in this body, it will be, with one exception, the first negative vote I have cast against the confirmation of any nomination sent to the Senate by either the former President or the present Chief Executive.

Mr. President, I stayed in the hearings of the committee only for a brief period of time, due to the crowded condition of the room and because of the many Senators on the committee and Senators who were not members of the committee who desired to interrogate Dr. Tugwell. I did not undertake to ask him any questions.

How chameleon-like was the transformation of the witness, Dr. Tugwell, in his devotion to the fundamental laws of our land as compared with Dr. Tugwell, the author, in dealing with our Constitution. The position that he took as a witness as compared with the position that he took in his texts, together with what has taken place in this Government in conformity with his ideas and principles, justifies the position that I took a year ago and that I take today, and when my name is called I must vote "nay" against the confirmation of his appointment.

Mr. NEELY. Mr. President, if the doctrine preached by some of those who oppose Dr. Tugwell's confirmation should generally prevail in this Chamber, only a crawfish or a lightning bug could ever hope for senatorial approval. The first is a simon-pure reactionary which travels backward habitually, heedless of necessity and regardless of destination. The second systematically illuminates that which is past and revels in the darkness of the future. It is aptly described in the following doggerel:

The lightning bug is a wondrous sight,  
But you'd think it has no mind,  
It pumps around in the darkest night  
With its headlight on behind.

Mr. President, fortunately for the country the Senate has not adopted and will never apply the crawfish or lightning-bug standard of qualification to a Roosevelt appointee.

We have today learned that Dr. Tugwell has committed the unpardonable sins of denouncing the doctrine of *laissez faire* and declaring that business which is founded upon that reactionary doctrine should be modified or destroyed. Because Dr. Tugwell opposes the theory that there shall be no governmental interference with commercial, industrial,



or financial affairs, he is denounced as a dangerous radical who would tear the Constitution to tatters. Once more we hear the familiar cry of the worshippers of the past that the Bolshevik wolf is coming and that poor old Uncle Sam is about to be devoured. But false alarms have ceased to terrify the Senate. And who is here so benighted as to declare that he is in favor of the business practices of the wicked days of old, the practices that impoverished a province to enrich a prince; that glorified a single master by making a thousand slaves; that enthroned plutocracy and made millions as poor as Lazarus?

Who is here that will say by his vote this afternoon that he wants to go back to the dark days of the Hoover disaster and the laissez faire theories which prevailed throughout this country during that most blighting period in the history of the Nation? If such be present, he should vote against Dr. Tugwell, who is not only a great humanitarian but an outstanding artificer of the new deal, the deal which under the direction of one of the greatest of Presidents has in 15 months banished starvation, employed millions of the idle, rehabilitated business, and restored happiness and confidence to a distressed and discouraged people.

Those who vote against Dr. Tugwell because he discards the old formulas of disaster and believes in experimentation in behalf of progress and preaches a new gospel of success will but supply an additional but wholly unnecessary proof of the fact that history repeats itself as certainly as the day follows the night. Four hundred years before Christ, Socrates preached a new gospel for humanity, and his ignorant envious neighbors poisoned him and thus rewarded him for his inestimable service to the world.

Later, the greatest of all political philosophers appeared on earth, taught the doctrine of service and sacrifice, demonstrated the virtue of our doing unto others as we would have others do unto us, and pointed the way to happiness on Earth below and endless bliss in Heaven above. For His service He was nailed to the cross and a spear was thrust into His side.

More than fourteen hundred years later a great Italian decided that he ought to discover a new world. Columbus braved all the dangers of uncharted seas and all the horrors of superstition and gave us the greatest country beneath the stars. As a result of his discovery we have the United States of America. But Columbus, as a reward for his service, was confined in a dungeon and loaded with chains.

Mr. CONNALLY. Will the Senator yield?

Mr. NEELY. Certainly.

Mr. CONNALLY. I think the Senator ought to include old Galileo because he made it possible for Columbus to safely sail over the sea.

Mr. NEELY. Mr. President, Galileo and hosts of other great discoverers and inventors, from the twilight hour of creation's morning to the present moment, have been crucified for helping to make the world a better place in which to live. The man who accumulates hundreds of millions rides in a yacht, maintains mansions in both hemispheres, and dodges his taxes is exalted, while the benefactor is humiliated and persecuted, and the unfortunate who steals a loaf of bread to satisfy his hunger is sent to jail. The people of the United States are tired of that kind of government. Thank God, Dr. Tugwell does not endorse it.

Mr. President, in reaction, and retreat, and not in experimentation, in an awful crisis like that which has jeopardized the civilization of the world for the last 4 years, is the real menace to mankind and human happiness. From the Garden of Eden to the Garden of Gethsemane, from Calvary's crimsoned cross to the bloody banks of the Somme and the Marne, not reaction, not retreat, not cowardice, but progress and courage clothed with the sunlight and armed with the sword of truth have fascinated the eyes, charmed the ears, and delighted the hearts of the children of men.

Mr. President, I refuse to vote for another crucifixion. I refuse to participate in compelling one of the President's most useful friends to drink a bowl of hemlock. I refuse to help bind a Columbus of the new deal with chains.

I shall vote against the crucifixion, against the hemlock and the chains, and for Dr. Tugwell's confirmation. My act in so doing will be to me in future years—

A rainbow to the storms of life!  
The evening beam that smiles the clouds away,  
And tints tomorrow with prophetic ray.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Rexford Guy Tugwell to be Under Secretary of Agriculture?

Mr. ROBINSON of Arkansas. Let us have the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BYRD (when Mr. GLASS' name was called). My colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained from the Chamber. I am authorized to say that were he present he would vote in the negative.

Mr. FESS (when Mr. McNARY's name was called). The senior Senator from Oregon [Mr. McNARY] is unavoidably detained from the Senate. He has a general pair with the junior Senator from Nevada [Mr. McCARRAN]. I am not advised how either of these Senators would vote were they present.

Mr. METCALF (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]. As he is not present, I must withhold my vote. Were I allowed to vote, I should vote "nay." I am advised that if present the Senator from Maryland [Mr. TYDINGS] would vote "yea."

Mr. REYNOLDS (when his name was called). I have a special pair with the senior Senator from Virginia [Mr. GLASS], who is necessarily absent. I am informed that if he were present he would vote in the negative. Were I permitted to vote, I should vote in the affirmative.

Mr. ROBINSON of Arkansas (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. REED] who is detained by illness. I transfer that pair to the junior Senator from Florida [Mr. TRAMMELL] and vote "yea." I am advised that if present the Senator from Pennsylvania [Mr. REED] would vote "nay."

Mr. WALCOTT (when his name was called). I have a pair with the junior Senator from California [Mr. McADOO] who is detained by illness. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. LEWIS. I announce that I am informed and authorized to state to the Senate that the Senator from Indiana [Mr. VAN NUYS] has a general pair with the Senator from New Hampshire [Mr. KEYES]. I am not advised how either of these Senators would vote.

I am authorized likewise to announce the pair between the Senator from Massachusetts [Mr. WALSH] and the Senator from Vermont [Mr. AUSTIN]. I am authorized to add that were the Senator from Massachusetts [Mr. WALSH] present he would vote "yea", and were the Senator from Vermont present he would vote "nay."

I announce that the Senator from Maryland [Mr. TYDINGS] was suddenly called from the Chamber on official business; that the Senator from Nevada [Mr. McCARRAN] is detained on public business; that the Senator from Florida [Mr. TRAMMELL] is necessarily detained from the Chamber; that the Senator from Oklahoma [Mr. THOMAS] was called to the department on official business; that the Senator from Massachusetts [Mr. COOLIDGE] is necessarily detained.

Mr. ROBINSON of Arkansas. Mr. President, I am advised that if present the Senator from Oklahoma [Mr. THOMAS] would vote "yea." I also desire to announce that the Senator from Massachusetts [Mr. WALSH] is absent attending the Democratic preprimary convention in Massachusetts.

Mr. HEBERT. The senior Senator from Pennsylvania [Mr. REED] is absent from the Senate on account of illness. His pair has been stated. If the Senator from Pennsylvania were present he would vote "nay."

The result was announced—yeas 53, nays 24, as follows:

## YEAS—53

Adams	Costigan	La Follette	Pittman
Ashurst	Couzens	Lewis	Pope
Bachman	Cutting	Logan	Robinson, Ark.
Bankhead	Dieterich	Loneragan	Russell
Barkley	Duffy	Long	Sheppard
Black	Erickson	McGill	Shipstead
Bone	Fletcher	McKellar	Stephens
Brown	Frazier	Murphy	Thomas, Utah
Bulkley	George	Neely	Thompson
Bulow	Harrison	Norbeck	Wagner
Byrnes	Hatch	Norris	Wheeler
Capper	Hayden	Nye	
Connally	Johnson	O'Mahoney	
Copeland	King	Overton	

## NAYS—24

Bailey	Dill	Hastings	Schall
Barbour	Fess	Hatfield	Smith
Byrd	Gibson	Hebert	Steiner
Carey	Goldsborough	Kean	Townsend
Clark	Gore	Patterson	Vandenberg
Dickinson	Hale	Robinson, Ind.	White

## NOT VOTING—19

Austin	Glass	Metcalf	Tydings
Borah	Keyes	Reed	Van Nuys
Caraway	McAdoo	Reynolds	Walcott
Coolidge	McCarran	Thomas, Okla.	Walsh
Davis	McNary	Trammell	

So, the nomination of Rexford G. Tugwell was confirmed.

Mr. ROBINSON of Arkansas. Mr. President, in view of the delay that has occurred in disposing of the nomination of Mr. Tugwell, I ask unanimous consent that the President be notified of the action of the Senate.

The PRESIDING OFFICER. Without objection, that order will be made.

## EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the nomination of Felthan Watson, of Missouri, to be district attorney, United States Court for China, to succeed George Sellett.

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of Edwin G. Moon, of Iowa, to be United States attorney, southern district of Iowa, to succeed Robert W. Colflesh, resigned.

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of Charles H. Cox, of Georgia, to be United States marshal, northern district of Georgia, to succeed Louis H. Crawford, whose term will expire June 24, 1934.

The PRESIDING OFFICER (Mr. McGILL in the chair). The reports will be placed on the calendar.

Mr. ROBINSON of Arkansas. I now ask that the Senate proceed with the call of the Executive Calendar.

## TREATIES

The Chief Clerk proceeded to read Executive D, Seventy-third Congress, second session, a treaty of friendship, commerce, and consular rights between the United States and the Republic of Finland, signed at Washington, February 13, 1934.

Mr. ROBINSON of Arkansas. Mr. President, there are a number of treaties on the calendar, and it is desired by the Senator from Nevada [Mr. PITTMAN], the Chairman of the Committee on Foreign Relations, and other members of the committee, that an arrangement be effected for their consideration.

I ask unanimous consent that when the Senate concludes its labors today it take a recess until 10 o'clock tomorrow, and that the Senate then proceed to the consideration of the treaties in open executive session.

Mr. FESS. Mr. President, I talked with the Senator from Arkansas about this matter a little earlier in the day. I have just been reminded that the Republicans are to have a conference at 10 o'clock tomorrow on a matter which the Senator knows about, and which I had overlooked.

Mr. ROBINSON of Arkansas. In view of the statement of the Senator from Ohio, I will modify the request so that the

Senate shall meet at 11 instead of 10 o'clock, and make no other change in the proposal.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arkansas as modified? The Chair hears none, and the agreement is entered into.

## DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Clinton E. MacEachran, of Massachusetts, to be Foreign Service officer of class 4, a consul, and a secretary in the Diplomatic Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## POST OFFICE DEPARTMENT—SMITH W. PURDUM

The Chief Clerk read the nomination of Smith W. Purdum, of Maryland, to be Fourth Assistant Postmaster General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. O'MAHONEY. Mr. President, in connection with the confirmation of the nomination of Smith W. Purdum to be Fourth Assistant Postmaster General, I desire to make the observation that this is only the seventh time in a period of 50 years in which a man who has grown up in the Postal Service has been honored by a nomination to a distinguished position of this character.

It has seemed to me that the fact is at least worthy of mention on this floor, because the Post Office Service throughout the history of the Government, has spanned this country and has enlisted the work and services of thousands of loyal men and women. I think it only a proper recognition of the work they have been doing that the Postmaster General and the President have accorded Mr. Purdum this honor.

It may be of interest to make note of the instances in which this has been done in the past.

In 1925, Mr. Robert S. Regar was promoted from the position of Chief Clerk of the Department to that of Third Assistant Postmaster General.

In 1916 Mr. John C. Koons was promoted from the position of chief inspector to that of First Assistant Postmaster General.

In 1908 Mr. Joseph Stewart was promoted from a position as head of the railway-adjustment division to the position of Second Assistant Postmaster General.

In the same year Mr. Charles P. Grandfield, then chief clerk to the First Assistant Postmaster General, was himself made the First Assistant Postmaster General.

In 1889 Mr. Edwin C. Madden was made Third Assistant Postmaster General.

In 1883 Mr. Henry Lyman, then chief clerk in the office of the Second Assistant Postmaster General, was made Second Assistant Postmaster General.

Mr. Purdum was one of the four inspectors in the Postal Service who, at the outset of this administration, were made deputies to the four Assistant Postmasters General.

Mr. Vincent C. Burke was made deputy to the first assistant, Mr. Jesse M. Donaldson was made deputy to the second assistant, Mr. Roy M. North was made deputy to the third assistant, and Mr. Purdum was appointed deputy to the fourth assistant.

Each of these four gentlemen, cooperating with his chief and with the Postmaster General, and with Mr. K. P. Aldrich as Chief Inspector, has given the Post Office Department a most excellent administration, and it seemed to me only proper that some recognition of that fact should be made here upon the floor.

Mr. Purdum has made a remarkable record in the Post Office service.

Beginning as railway mail clerk at the age of 21, he has progressed steadily through the various grades in the Department. During the World War he was post-office inspector, in charge of the Washington, D.C., division and rendered notable service.



The bureau of which he now becomes the head has changed the entire Post Office plant. In the past, curiously enough, post-office buildings were always under the care of the Treasury Department. It was not until President Roosevelt, by Executive order, made the transfer that the Post Office Department took over the custody of its own buildings. That work is under the jurisdiction of the Fourth Assistant.

I wish to congratulate the President and the Postmaster General on the elevation of Mr. Purdum. It is an example which I hope will be followed many times in the future. It affords me pleasure and gratification to give testimony here to the high regard I have for the experts of the Postal Service.

#### THE JUDICIARY

The Chief Clerk read the nomination of George Murray Hulbert to be United States district judge, southern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harlan W. Rippey to be United States district judge, western district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WAGNER. Mr. President, I ask unanimous consent that the President be notified at once of the confirmation of Mr. Hulbert and Mr. Rippey.

The PRESIDING OFFICER. Without objection, that order will be entered, and the President will be immediately notified.

#### HAWAII

The Chief Clerk read the nomination of James L. Coke, of Hawaii, to be chief justice of the Supreme Court, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of James J. Banks, of Hawaii, to be associate justice of the Supreme Court, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harold E. Stafford, of Hawaii, to be circuit judge, first circuit, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of James Wesley Thompson, of Hawaii, to be circuit judge, third circuit, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Delbert E. Metzger, of Hawaii, to be circuit judge, fourth circuit, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Miss Carrick H. Buck to be circuit judge, fifth circuit, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Seba C. Huber to be United States district judge, district of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Otto F. Heine to be United States marshal, district of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### POSTMASTERS

The Chief Clerk read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

#### THE ARMY

The Chief Clerk read sundry nominations for appointments and promotions in the Army.

Mr. SHEPPARD. I ask unanimous consent that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate resume the consideration of legislative business. The motion was agreed to.

#### PHILIPPINE INDEPENDENCE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of War, transmitting copy of a resolution adopted by the Municipal Council of Piddig, Province of Ilocos Norte, P.I., expressing its gratitude for enactment of Public Law No. 127, Seventy-third Congress, known as the "New Philippine Independence Act", which, with the accompanying paper, was ordered to lie on the table.

#### CLAIM OF WESTERN UNION TELEGRAPH CO. AGAINST UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of Western Union Telegraph Co. against the United States, which, with the accompanying report, was referred to the Committee on Claims.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the General Court of the Commonwealth of Massachusetts, favoring the passage of Senate bill 3231, providing a retirement system for railroad employees, which were ordered to lie on the table.

(See resolutions printed in full when presented by Mr. WALSH on the 13th instant, p. 11252, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate numerous telegrams in the nature of petitions from sundry citizens and organizations of the States of Colorado, Kansas, Nebraska, and North Dakota, praying for the prompt passage of Senate bill 3231, providing a retirement system for railroad employees, which were ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a petition from the Tax and Rent Payers Association, Charles L. Fluck, chairman, of Philadelphia, Pa., praying that "Congress shall not adjourn until the Wagner bill—the original bill, not amended—shall be enacted into law, 'if it takes all summer'", which was ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a memorial from the board of directors of the Radio Manufacturers' Association, Chicago, Ill., remonstrating against the passage of Senate bill 2926, the so-called "labor disputes bill", which was ordered to lie on the table.

He also laid before the Senate letters in the nature of memorials from Frank Springer and officers of the Ferd Staffel Co., Alamo Bag & Burlap Co., and Southwestern Jacket Manufacturing Co., all of San Antonio, Tex., remonstrating against the passage of Senate bill 2926, the so-called "labor disputes bill", and also proposed amendment of the Agricultural Adjustment Act, which were ordered to lie on the table.

Mr. COPELAND presented the memorial of Betsy Ross Council, No. 88, Daughters of America, Woodside, Long Island, N.Y., remonstrating against the passage of legislation loosening immigration restrictions, especially with reference to the immigration of German Jews, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Parliament of the Community Councils of the city of New York, N.Y., favoring Government ownership of the manufacture of armaments, or, as an alternative, governmental control of the manufacture thereof, which was referred to the Special Committee on Investigation of the Munitions Industry.

He also presented a resolution adopted by the Master Plumbers, Gas and Steam Fitters and Sheet Metal Workers

Association, of Newburgh, N.Y., favoring the prompt enactment of legislation providing for home construction and repair, which was ordered to lie on the table.

#### REGULATION OF TRAFFIC IN FOOD AND DRUGS

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the RECORD and to lie on the table a resolution adopted by the Associated Manufacturers of Toilet Articles with reference to Senate bill 2800.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas the Senate Committee on Commerce has reported S. 2800, which is a bill relating to the regulation of food, drugs, and cosmetics and is now on the Senate Calendar; and

Whereas said bill in section 4 states that a drug shall be deemed to be adulterated (a) "If it is dangerous to health under the conditions of use prescribed in the labeling thereof"; and

Whereas said bill, in section 5, provides that a cosmetic shall be deemed to be adulterated (a) "If it bears or contains any poisonous or deleterious substance in such quantity as may render it injurious to the user under the conditions of use prescribed in the labeling thereof, or under such conditions of use as are customary or usual"; and

Whereas every legitimate purpose of the bill will be served by protecting the public from dangerous cosmetics through provision that they shall be deemed to be adulterated if dangerous to health; and

Whereas the proposed definition in section 5 may be construed to prohibit as adulterated any cosmetic which when applied to the skin may in some circumstances in the case of some people hypersensitive to the ingredients result in irritation or injury no matter how innocuous the substance may be; and

Whereas the reported definition would inevitably give rise to large numbers of civil claims and administrative complaints absolutely without foundation, based on the definition and its interpretation by claims attorneys to the effect that any user who can possibly assert a casual relation between some alleged injury and the use of a particular cosmetic is entitled, not only to maintain a civil action for damages, but to cause as well criminal proceedings to be instituted against the manufacturer, and make demand upon the Secretary of Agriculture that the product be suppressed; thus opening up a field where the possibilities of blackmail and nuisance actions would be unlimited and legitimate industries exposed to wholly needless and unjustified expense and litigation; and

Whereas cosmetics, since they are used only externally, do not require a more drastic definition of what is adulterated as is the case with drugs which are used both externally and internally, and

Whereas the definition of an adulterated cosmetic as drafted is unjust and unnecessary to the protection of health, and places in the hands of the administrative authority the arbitrary bureaucratic power of prohibiting the manufacture and sale in interstate commerce of cosmetics which are in fact in no way dangerous or injurious: Therefore be it

*Resolved*, That the Associated Manufacturers of Toilet Articles respectfully petitions the Senate of the United States to substitute for the definition of an adulterated cosmetic, the same language as that used in defining what constitutes an adulterated drug, and that for the further protection of the public, section 5 of said act be amended to read as follows:

"A cosmetic shall be deemed to be adulterated: (a) If it is dangerous to health under the conditions of use prescribed in the labeling thereof, or if no conditions of use are thus prescribed, then under such conditions of use as are customary or usual."

And that the secretary of this association be directed to take steps to bring this resolution to the attention of the United States Senate and have it presented to that honorable body as a petition and memorial.

A. W. WELSH, Secretary.

#### REPORTS OF COMMITTEES

Mr. BLACK, from the Committee on the Judiciary, to which was referred the bill (H.R. 5668) authorizing the relief of the McNeill-Allman Construction Co., Inc., of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc., and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., to sue in the United States Court of Claims, reported it without amendment and submitted a report (No. 1419) thereon.

Mr. HEBERT, from the Committee on the Judiciary, to which was referred the bill (H.R. 9547) to amend section 766 of the Revised Statutes, as amended, reported it without amendment and submitted a report (No. 1426) thereon.

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (H.R. 9476) to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes, reported it with an amendment and submitted a report (No. 1434) thereon.

Mr. REYNOLDS, from the Committee on the District of Columbia, to which was referred the bill (H.R. 7906) to license race tracks in the District of Columbia and provide for their regulation, reported it with amendments and submitted a report (No. 1425) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia, reported it without amendment and submitted a report (No. 1420) thereon.

He also, from the Committee on Indian Affairs, to which was referred the bill (S. 3582) to reserve 80 acres on the public domain for the use and benefit of the Kanosh Band of Indians in the State of Utah, reported it without amendment and submitted a report (No. 1424) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3033. An act to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev. (Rept. No. 1429);

S. 3587. An act to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children (Rept. No. 1421);

S. 3728. An act for the relief of the heirs of Louise Cullooyah and Michel Kizer, deceased (Rept. No. 1430);

S. 3758. An act for the relief of Robert D. Baldwin (Rept. No. 1431); and

S. 3759. An act for the relief of Charles E. Dagenett (Rept. No. 1432).

Mr. WHEELER also, from the Committee on Indian Affairs, to which was referred the bill (S. 3351) to authorize the Secretary of the Interior to turn over to a water-users' association or unit thereof, or other proper organization, the operation of the several units of the irrigation project on the Blackfeet Indian Reservation, Mont., and for other purposes, reported it with an amendment and submitted a report (No. 1422) thereon.

He also, from the same committee, to which was referred the bill (S. 2978) to amend the act of March 3, 1927, amending section 1 of the act of May 26, 1926, entitled "An act to amend sections 1, 5, 6, 8, and 18 of an act approved June 4, 1920, entitled 'An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes'", reported it with amendments and submitted a report (No. 1433) thereon.

Mr. BULOW, from the Committee on Indian Affairs, to which was referred the bill (H.R. 8662) to modify the operation of the Indian liquor laws on lands which were formerly Indian lands, reported it without amendment and submitted a report (No. 1423) thereon.

Mr. HATCH, from the Committee on Indian Affairs, to which was referred the bill (S. 3694) to permit relinquishments and reconveyances of privately owned and State school lands for the benefit of the Indians of the Acoma Pueblo, N.Mex., reported it without amendment and submitted a report (No. 1435) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3647. An act authorizing the Sistersville Bridge board of trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va. (Rept. No. 1427); and

S. 3756. An act authorizing the Brookewell Bridge Co. to construct, maintain, and operate a toll bridge across the Ohio River at or near Wellsburg, W.Va. (Rept. No. 1428).

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 3785) to amend the Reconstruction Finance Corporation Act so as to extend the provisions thereof to private corporations to aid in constructing and maintaining facilities for the marketing, storing, warehousing, and/or processing of forest products, reported it without amendment.



PRINTING OF RECONNAISSANCE SURVEY OF INTER-AMERICAN  
HIGHWAY

Mr. HAYDEN. From the Committee on Printing I report an original resolution, for which I ask present consideration.

There being no objection, the resolution (S.Res. 271) was considered and agreed to, as follows:

*Resolved*, That the Report by the Bureau of Public Roads, United States Department of Agriculture, of a Reconnaissance Survey of the Proposed Inter-American Highway from the Republic of Panama to the United States be printed as a public document with illustrations.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, June 14, 1934, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 2138. An act for the relief of Charles J. Webb Sons Co., Inc.;

S. 3025. An act to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes;

S. 3285. An act to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes;

S. 3443. An act to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes;

S.J.Res. 93. Joint resolution authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction, on the western bank of the Mississippi River, at or near the site of old St. Louis, Mo., of a permanent memorial to the men who made possible the territorial expansion of the United States, particularly President Thomas Jefferson and his aids, Livingston and Monroe, who negotiated the Louisiana Purchase, and to the great explorers, Lewis and Clark, and the hardy hunters, trappers, frontiersmen, and pioneers, and others who contributed to the territorial expansion and development of the United States of America; and

S.J.Res. 121. Joint resolution authorizing the President to return the mace of the Parliament of Upper Canada to the Canadian Government.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

A bill (S. 3791) to authorize the Governor of the Territory of Hawaii to remove certain officers and members of boards without the advice and consent of the Senate of said Territory; to the Committee on Territories and Insular Affairs; and

By Mr. DILL:

A bill (S. 3792) for the relief of Rumsey & Co., Inc.; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 3793) to amend the act entitled "An act to provide for the appointment of an additional judge of the District Court of the United States for the Western District of New York", approved March 3, 1927; to the Committee on the Judiciary.

(Mr. FLETCHER introduced Senate bill no. 3794, which appears under a separate heading.)

By Mr. COPELAND, Mr. VANDENBERG, and Mr. MURPHY:

A bill (S. 3795) to regulate commerce in firearms; to the Committee on Commerce.

By Mr. HARRISON:

A joint resolution (S.J.Res. 141) to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits; to the Committee on Finance.

FINANCING OF HOME CONSTRUCTION AND REPAIR

Mr. FLETCHER introduced a bill (S. 3794) to encourage improvement in housing standards and conditions, to pro-

vide a system of mutual mortgage insurance, and for other purposes, which was read twice by its title and referred to the Committee on Banking and Currency.

Mr. FLETCHER, subsequently, from the Committee on Banking and Currency, to which was referred the bill (S. 3794) to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes, reported it without amendment.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H.R. 9741. An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof; to the Committee on Finance.

H.R. 9904. An act to amend section 5 of Public Act No. 2, of the Seventy-second Congress, as amended; to the Committee on Banking and Currency.

RAILROAD EMPLOYEES' RETIREMENT SYSTEM—AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT—AMENDMENT

Mr. BANKHEAD submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 3326) to amend the Agricultural Adjustment Act, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENTS TO DEFICIENCY AND EMERGENCY APPROPRIATION BILL

Mr. LA FOLLETTE submitted an amendment intended to be proposed by him to House bill 9830, the deficiency and emergency appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 103, after line 4, to insert the following:

Sec. 2. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$8,625,000,000, in addition to other sums appropriated by this act, for the purpose of carrying forward the program of public works inaugurated under the provisions of the National Industrial Recovery Act, approved June 16, 1933. Such sum shall be allocated within the following limitations:

(1) Not less than \$1,250,000,000 of such amount shall be allocated for the elimination of hazards to highway traffic under the provisions of section 204 (a) (1) of such act.

(2) Not less than \$1,500,000,000 of such amount shall be allocated for new building construction; of which not to exceed \$100,000,000 shall be allocated for construction of Federal buildings and for such purposes sections 305 and 306 of the Emergency Relief and Construction Act of 1932, as amended, shall apply; and not less than \$825,000,000 shall be allocated for loans and grants to finance building construction as provided in section 202 of the National Industrial Recovery Act, as amended.

(3) Not less than \$20,000,000 of such amount shall be allocated for coast and geodetic and geological surveys as provided in section 202 (b) of the National Industrial Recovery Act, as amended.

(4) Not less than \$4,855,000,000 of such amount shall be allocated and made available for expenditure on non-Federal projects, exclusive of projects included under the foregoing allocations.

(5) Not less than \$1,000,000,000 of such amount shall be allocated and made available for expenditure by the Emergency Housing Corporation.

Sec. 3. Section 201 (d) of the National Industrial Recovery Act is amended by striking out "two years" and inserting in lieu thereof "three years."

Sec. 4. (a) Clause (a) of section 202 of the National Industrial Recovery Act is amended by adding at the end thereof a comma and the following: "and school buildings when included within plans and surveys made or approved by the United States Commissioner of Education."

(b) Clause (b) of section 202 of such act is amended by inserting after "(b)" the following: "coast and geodetic and geological surveys."

(c) So much of section 202 of such act as reads "the construction of naval vessels within the terms and/or limits established by the London Naval Treaty of 1930 and of aircraft required therefor" is repealed.

(d) So much of clause (2) of section 203 (a) of such act as reads "but no such grant shall be in excess of 30 percent of the cost of the labor and materials employed upon such project" is repealed.

(e) Section 203 of such act is amended by adding at the end thereof the following new subsection:

"(e) It is hereby declared to be the policy of the Congress that this title shall be liberally construed, insofar as the requirements of security for loans made is concerned, to the end that the public-works program contemplated hereby shall be expedited to the fullest extent possible."

(f) Section 204 (a) (1) of such act is amended by inserting after the words "relocation of highways to eliminate railroad crossings" a comma and the following: "track elevation and depression through cities."

Sec. 5. The amendments made by section 4 of this title to the National Industrial Recovery Act shall not be construed to limit the expenditure of funds heretofore obligated under such act.

Sec. 6. The provisions of section 210 of the National Industrial Recovery Act shall apply with respect to the amounts herein authorized for additional expenditures under such act.

Sec. 7. The Emergency Housing Corporation is authorized to proceed with the acquisition of property, by eminent domain or otherwise, and the construction, reconstruction, alteration, or repair of low-cost housing and slum-clearance projects, as authorized under the National Industrial Recovery Act, as amended.

On page 103, line 5, strike out the figure "2" and insert in lieu thereof the figure "8."

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 9830, the deficiency and emergency appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 91, to strike out the proviso in lines 13 to 20, inclusive, and in lieu thereof to insert the following: "and which sum is a part of \$200,000,000 authorized to be appropriated by section 1 of H.R. 8781 as finally enacted by the Senate and House of Representatives."

#### RECEIVERS APPOINTED BY COURTS—RECONSIDERATION AND PASSAGE OF A BILL

Mr. GORE. Mr. President, yesterday I lodged a motion to reconsider Order of Business 1464, being House bill 8544, making receivers appointed by any United States courts and authorized to conduct any business or conducting any business subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations. I desire to offer the amendment, which I send to the desk, when the motion to reconsider is considered by the Senate. I have conferred with the Chairman of the Judiciary Committee and both members of the subcommittee who considered the bill, and the amendment is acceptable to them. They are for it.

The VICE PRESIDENT. Does the Senator desire to have the motion to reconsider brought up at this time?

Mr. GORE. Yes, sir. I lodged the motion yesterday.

The VICE PRESIDENT. Without objection, the vote whereby the bill was ordered to a third reading and passed will be reconsidered.

Mr. BLACK. What is the bill?

Mr. GORE. It relates to the taxation of property in the hands of a Federal receiver.

Mr. BLACK. Very well.

Mr. GORE. I now ask that the bill may be considered so that I may offer the amendment.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

The VICE PRESIDENT. The amendment offered by the Senator from Oklahoma will be stated.

The LEGISLATIVE CLERK. On page 2, line 2, after the word "corporation", it is proposed to insert a colon and the following proviso:

*Provided, however,* That nothing in this act contained shall be construed to prohibit or prejudice the collection of any such taxes which accrued prior to the approval of this act, in the event that the United States court having final jurisdiction of the subject matter under existing law should adjudge and decide that the imposition of such taxes was a valid exercise of the taxing power by the State or States, or by the civil subdivisions of the State or States imposing the same.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

#### SECURITY FOR DEPOSITS OF PUBLIC MONEYS

Mr. DIETERICH. Mr. President, I ask unanimous consent to present an amendment to the bill (S. 3748) to amend

certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes, and to have it printed and lie on the table.

In connection with that I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a letter from the Secretary of the Treasury to the Speaker of the House of Representatives pertaining to the amendment.

The VICE PRESIDENT. Without objection, the amendment will be printed and lie on the table, and the publication will be made as requested by the Senator.

The letter referred to is as follows:

APRIL 27, 1934.

HON. HENRY T. RAINEY,

*The Speaker House of Representatives.*

MY DEAR MR. SPEAKER: I have the honor to forward herewith a draft of a bill to amend section 5153 of the Revised Statutes, designed to clarify the situation with respect to the giving of security by national banks for deposits of public moneys.

This matter has been the subject of an exhaustive study, and the enactment of the proposed legislation is recommended by the Comptroller of the Currency. I am forwarding herewith a copy of excerpts from a memorandum forwarded to me by him.

If you deem it advisable, it will be appreciated if these proposals can be submitted for consideration through the appropriate channels.

Respectfully yours,

H. MORGENTHAU, JR.,  
*Secretary of the Treasury.*

Attached hereto is text of proposed amendment to section 5153 of the Revised Statutes, as amended (U.S.C., title 12, sec. 90), which amendment relates to the designation of depositories of public money by the Secretary of the Treasury and the giving of security by national banking associations for deposits of public money of the United States and for various other types of deposits made by public officials, consisting of money for which they are accountable under the law by virtue of their official capacity. The essential respects in which this amendment changes the present law is in that it eliminates doubt under recent decisions as to the power of national banks to give security for the protection of deposits of public money belonging to various Government agencies or of money deposited thereby where they are accountable for such money by reason of the official capacity in which held.

The amendment operates with similar effect as to deposits by officers, agents, or employees of the States, Territories, or insular possessions or any public instrumentality or agency thereof, where the depositing official is charged with the custody of and is accountable for such money by virtue of his official position. Provision is made that security heretofore given for the various types of deposits referred to shall be deemed validly given except where heretofore determined to be in violation of the act of June 25, 1930.

There is urgent necessity for the prompt enactment of the legislation, due to recent decisions of the Supreme Court of the United States, particularly two decisions rendered February 5, 1934, in *City of Marion, Ill., v. Sneed, Receiver*, and *Texas & Pacific Railway Co. v. Pottorff, Receiver*, in which the Court took the position that national banks have no implied power to give security for deposits of public money, notwithstanding the fact that for more than 60 years national banks have been giving such security with the approval of the Comptroller of the Currency, in conformance to the views expressed by the Attorney General of the United States in 30 Ops. Atty. Gen. 341, to the effect that the section being amended "is more reasonably construed as a recognition of the existence of the power on the part of national banks to give security for deposits than as a grant by implication or authority to give security for Government deposits alone." A large number of national banks have been placed in the hands of receivers in the past 3 years. Almost all of these banks held deposits of public money for which security had been pledged. Millions of dollars in such deposits belonging to the Philippine Islands, the United States Shipping Board Emergency Fleet Corporation, United States Housing Corporation, and similar entities were on deposit in these banks under a contract, whereby the bank had pledged collateral security therefor. These pledges were considered valid by this office and these agencies permitted to avoid loss of such deposits through realization upon the collateral held. Unless curative legislation is enacted to cover this situation, it may be the duty of this office as a matter of law to require these various agencies to restore these funds to the receivers of the various banks in which they were on deposit. Creditors of some of the banks are insisting upon such action being taken at this time. If such restoration must be made, then in most cases a substantial loss will be suffered by the depositing unit, which loss will in many instances ultimately fall upon the Treasury. The situation is also urgent from the standpoint of the going national bank, inasmuch as the various depositing units are now on notice as to the possible lack of power in the banks to give security for their deposits, with the result that these banks are threatened with the withdrawal of hundreds of millions of dollars, which no doubt will be deposited in State banks which do under the State law possess power to give collateral security therefor.



The same situation exists with respect to deposits of funds by the States and their various agencies. Generally speaking, there has been a preference given national banks by the depositing officials thereof. The State Treasurer of Illinois within the past 10 days has indicated he feels that he must withdraw approximately \$54,000,000 from the national banks in Illinois, \$26,000,000 of which is in two Chicago banks. The legal representatives of various drainage and irrigation districts in California have indicated that unless the law is clarified, they must withdraw some \$50,000,000 from national banks in California. When one considers the total amount of such deposits in national banks all over the United States which may thus be suddenly withdrawn, and the consequent forced liquidation of assets which may be required of such banks in order to meet such withdrawals with resulting ill effect upon market conditions, it becomes imperative to avoid such result by having appropriate legislation promptly enacted eliminating the difficulty.

I accordingly recommend that appropriate action be taken to have this amendment enacted into law.

#### PUBLIC WORKS ADMINISTRATION LOANS TO THE DISTRICT

Mr. KING. Mr. President, a few days ago the Senate passed the bill (S. 3404) authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes.

The bill provides for certain public works within the District of Columbia. The measure went to the House of Representatives. In the House a number of amendments were submitted to the bill, the principal amendment being to reduce the appropriation from \$20,000,000 to \$10,000,000 plus. I ask the Chair to lay before the Senate the amendments of the House.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3404) authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, which were, on page 1, line 8, to strike out "\$20,000,000" and insert "\$10,750,000"; on page 1, line 9, to strike out "heretofore"; on page 2, line 2, to strike out all after "plant," down to and including "1408)," in line 6; on page 2, line 8, to strike out all after "Virginia," down to and including "schools," in line 12; on pages 2 and 3, to strike out all of section 2; on page 3, line 3, to strike out "3" and insert "2"; on page 3, line 4, to strike out all after "thereof" down to and including "2)," in line 5; on page 3, line 24, to strike out "4" and insert "3"; on page 5, line 5, after "1936," to insert "Until 70 percent or so much of said sum authorized by section 1 of this act as may be expended as therein provided shall be reimbursed to the Federal Emergency Administration of Public Works, with interest as provided in this section, 10 cents of the tax levied and collected upon each \$100 of the assessed valuation of all real and tangible personal property subject to taxation in the District of Columbia shall be deposited in the Treasury of the United States to the credit of a special account for such reimbursement to the Federal Emergency Administration of Public Works and shall not be available for any other purpose. The Commissioners may, in their discretion, anticipate from said special account the payments required by this act."; and on page 5, line 6, to strike out "5" and insert "4".

Mr. KING. Mr. President, as it passed the Senate the bill was meritorious and entirely just. It would have enabled the District of Columbia to inaugurate certain improvements which are indispensable, among them being the removal of pollution from the Potomac River, the construction of certain schoolhouses, a tubercular hospital, and so forth. I regret to say that the House felt disinclined to approve the bill as it passed the Senate. After considerable debate the Rules Committee finally submitted a special rule under the terms of which the appropriation was limited to \$10,000,000 plus. With that amendment and in that manner the bill passed the House.

I have conferred with the District Commissioners, with Members of the House, with the Park and Planning Commission, and under all the circumstances it is felt by those concerned that there is no value in prolonging the discussion of the controversy. Therefore, I am instructed by the

Committee on the District of Columbia of the Senate to move that the Senate concur in the amendments of the House.

The VICE PRESIDENT. The question is on the motion of the Senator from Utah that the Senate concur in the amendments of the House.

The motion was agreed to.

#### REPORT OF COMMITTEE ON CRIME INVESTIGATION

Mr. COPELAND. Mr. President, I ask unanimous consent to insert in the RECORD the report of the committee investigating crime conditions in the United States.

There being no objections, the report (No. 1440) was ordered to be printed in the RECORD, as follows:

JUNE 14, 1934.

Mr. President, it will be recalled that on January 11, 1934, as chairman of the subcommittee of the Committee on Commerce, popularly known as the "committee on racketeering", I introduced for the committee some 13 bills for consideration by the Congress. The activities of this subcommittee were continued by Senate Resolution 196, which passed the Senate on April 20, 1934. This resolution somewhat changed the activities of the committee, authorizing it to investigate criminal practices and crimes, so that it is now known as the "committee on crime and criminal practices."

Since my report on January 11, there have been introduced some 29 additional bills all designed to close gaps in existing Federal laws and to render more difficult the activities of predatory criminal gangs of the Kelly and Dillinger types. Of these bills 11 have become law. I regret that others have not been passed, but for one reason or another on the eve of adjournment some remain pigeonholed in the several committees of the Senate or the House, while a few remain on the calendar of Senate or House.

The following are the bills that have become laws:

[PUBLIC, NO. 230, 73D CONG.]

An act (S. 2080) to provide punishment for killing or assaulting Federal officers

*Be it enacted, etc.,* That whoever shall kill, as defined in sections 273 and 274 of the Criminal Code, any United States marshal or deputy United States marshal, special agent of the Division of Investigation of the Department of Justice, post-office inspector, Secret Service operative, any officer or enlisted man of the Coast Guard, any employee of any United States penal or correctional institution, any officer of the customs or of the internal revenue, any immigrant inspector or any immigration-patrol inspector, while engaged in the performance of his official duties, or on account of the performance of his official duties, shall be punished as provided under section 275 of the Criminal Code.

SEC. 2. Whoever shall forcibly resist, oppose, impede, intimidate, or interfere with any person designated in section 1 hereof while engaged in the performance of his official duties, or shall assault him on account of the performance of his official duties, shall be fined not more than \$5,000, or imprisoned not more than 3 years, or both; and whoever, in the commission of any of the acts described in this section, shall use a deadly or dangerous weapon shall be fined not more than \$10,000, or imprisoned not more than 10 years, or both.

Approved, May 18, 1934.

S. 2248

An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation

*Be it enacted, etc.,* That the term "trade and commerce", as used herein, shall include trade or commerce between any States, with foreign nations, in the District of Columbia, in any Territory of the United States, between any such Territory or the District of Columbia and any State or other Territory, and all other trade or commerce over which the United States has constitutional jurisdiction.

"That the term 'trade or commerce', as used herein, is defined to mean trade or commerce between any States, with foreign nations, in the District of Columbia, in any Territory of the United States, between any such Territory or the District of Columbia and any State or other Territory, and all other trade or commerce over which the United States has constitutional jurisdiction.

"SEC. 2. Any person who, in connection with or in relation to any act in any way or in any degree affecting trade or commerce or any article or commodity moving or about to move in trade or commerce—

"(a) Obtains or attempts to obtain, by the use of or attempt to use or threat to use force, violence, or coercion, the payment of money or other valuable considerations, or the purchase or rental of property or protective services, not including, however, the payment of wages by a bona fide employer to a bona fide employee; or

"(b) Obtains the property of another, with his consent, induced by wrongful use of force or fear, or under color of official right; or

"(c) Commits or threatens to commit an act of physical violence or physical injury to a person or property in furtherance of a plan or purpose to violate sections (b) or (c) herein; or

"(d) Conspires or acts concertedly with any other person or persons to commit any of the foregoing acts; shall, upon con-



viction thereof, be guilty of a felony and shall be punished by imprisonment of from 1 to 10 years, or by a fine of \$10,000, or both.

"Sec. 3. (a) As used in this act the term 'wrongful' means in violation of the criminal laws of the United States or of any State or Territory.

"(b) The terms 'property', 'money', or 'valuable considerations' used herein shall not be deemed to include wages paid by a bona fide employer to a bona fide employee.

"Sec. 4. Prosecutions under this act shall be commenced only upon the express direction of the Attorney General of the United States.

"Sec. 5. If any provisions of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances shall not be affected thereby.

"Sec. 6. Any person charged with violating this act may be prosecuted in any district in which any part of the offense has been committed by him or by his actual associates participating with him in the offense or by his fellow conspirators: *Provided*, That no court of the United States shall construe or apply any of the provisions of this act in such manner as to impair, diminish, or in any manner affect the rights of bona fide labor organizations in lawfully carrying out the legitimate objects thereof, as such rights are expressed in existing statutes of the United States."

[PUBLIC, NO. 231, 73D CONG.]

An act (S. 2249) applying the powers of the Federal Government, under the commerce clause of the Constitution, to extortion by means of telephone, telegraph, radio, oral message, or otherwise

*Be it enacted, etc.*, That whoever, with intent to extort from any person, firm, association, or corporation any money or other thing of value, shall transmit in interstate commerce, by any means whatsoever, any threat (1) to injure the person, property, or reputation of any person, or the reputation of a deceased person, or (2) to kidnap any person, or (3) to accuse any person of a crime, or (4) containing any demand or request for a ransom or reward for the release of any kidnaped person, shall upon conviction be fined not more than \$5,000 or imprisoned not more than 20 years, or both: *Provided*, That the term "interstate commerce" shall include communication from one State, Territory, or the District of Columbia, to another State, Territory, or the District of Columbia: *Provided further*, That nothing herein shall amend or repeal section 338a, title 18, United States Code (47 Stat. 649).

Approved, May 18, 1934.

[PUBLIC, NO. 232, 73D CONG.]

An act (S. 2252) to amend the act forbidding the transportation of kidnaped persons in interstate commerce

*Be it enacted, etc.*, That the act of June 22, 1932 (U.S.C., ch. 271, title 18, sec. 408a), be, and the same is hereby, amended to read as follows:

"Whoever shall knowingly transport or cause to be transported, or aid or abet in transporting, in interstate or foreign commerce, any person who shall have been unlawfully seized, confined, inveigled, decoyed, kidnaped, abducted, or carried away by any means whatsoever and held for ransom or reward or otherwise, except in the case of a minor, by a parent thereof, shall, upon conviction, be punished (1) by death if the verdict of the jury shall so recommend, provided that the sentence of death shall not be imposed by the court if, prior to its imposition, the kidnaped person has been liberated unharmed, or (2) if the death penalty shall not apply nor be imposed the convicted person shall be punished by imprisonment in the penitentiary for such term of years as the court in its discretion shall determine: *Provided*, That the failure to release such person within 7 days after he shall have been unlawfully seized, confined, inveigled, decoyed, kidnaped, abducted, or carried away shall create a presumption that such person has been transported in interstate or foreign commerce, but such presumption shall not be conclusive.

"Sec. 2. The term 'interstate or foreign commerce', as used herein, shall include transportation from one State, Territory, or the District of Columbia to another State, Territory, or the District of Columbia, or to a foreign country, or from a foreign country to any State, Territory, or the District of Columbia.

"Sec. 3. If two or more persons enter into an agreement, confederation, or conspiracy to violate the provisions of the foregoing act and do any overt act toward carrying out such unlawful agreement, confederation, or conspiracy, such person or persons shall be punished in like manner as hereinbefore provided by this act."

Approved, May 18, 1934.

[PUBLIC, NO. 233, 73D CONG.]

An act (S. 2253) making it unlawful for any person to flee from one State to another for the purpose of avoiding prosecution or the giving of testimony in certain cases

*Be it enacted, etc.*, That it shall be unlawful for any person to move or travel in interstate or foreign commerce from any State, Territory, or possession of the United States, or the District of Columbia, with intent either (1) to avoid prosecution for murder, kidnaping, burglary, robbery, mayhem, rape, assault with a dangerous weapon, or extortion accompanied by threats of violence, or attempt to commit any of the foregoing, under the laws of the place from which he flees, or (2) to avoid giving testimony in any criminal proceedings in such place in which the commission of a felony is charged. Any person who violates the provision of this act shall, upon conviction thereof, be punished by a fine of not

more than \$5,000 or by imprisonment for not longer than 5 years, or by both such fine and imprisonment. Violations of this act may be prosecuted only in the Federal judicial district in which the original crime was alleged to have been committed.

Approved, May 18, 1934.

[PUBLIC, NO. 217, 73D CONG.]

An act (S. 2460) to limit the operation of statutes of limitations in certain cases

*Be it enacted, etc.*, That whenever an indictment is found defective or insufficient for any cause, after the period prescribed by the applicable statute of limitations has expired, a new indictment may be returned at any time during the next succeeding term of court following such finding, during which a grand jury thereof shall be in session.

Sec. 2. Whenever an indictment is found defective or insufficient for any cause, before the period prescribed by the applicable statute of limitations has expired, and such period will expire before the end of the next regular term of the court to which such indictment was returned, a new indictment may be returned not later than the end of the next succeeding term of such court, regular or special, following the term at which such indictment was found defective or insufficient, during which a grand jury thereof shall be in session.

Sec. 3. In the event of reindictment under the provisions of this act the defense of the statute of limitations shall not prevail against the new indictment, any provision of law to the contrary notwithstanding.

Sec. 4. The provisions of this act shall not apply to any indictment against which the statute of limitations has run at the date of approval hereof.

Approved, May 10, 1934.

[PUBLIC, NO. 234, 73D CONG.]

An act (S.2575) to define certain crimes against the United States in connection with the administration of Federal penal and correctional institutions and to fix the punishment therefor

*Be it enacted, etc.*, That any person employed at any Federal penal or correctional institution as an officer or employee of the United States, or any other person who instigates, connives at, willfully attempts to cause, assist in, or who conspires with any other person or persons to cause any mutiny, riot, or escape at such penal or correctional institution; or any such officer or employee or any other person who, without the knowledge or consent of the warden or superintendent of such institution, conveys or causes to be conveyed into such institution, or from place to place within such institution, or aids or assists therein, or who therein, any tool, device, or substance designed to cut, abrade, or destroy the materials, or any part thereof, of which any building or buildings of such institution are constructed, or any other substance or thing designed to injure or destroy any building or buildings, or any part thereof, of such institution; or who conveys or causes to be conveyed into such institution, or from place to place within such institutions, or aids or assists therein, or who conspires with any other person or persons to convey or cause to be conveyed into such institution, or from place to place within such institution, any firearm, weapon, explosive, or any lethal or poisonous gas, or any other substance or thing designed to kill, injure, or disable any officer, agent, employee, or inmate thereof, shall be punished by imprisonment for a period of not more than 10 years.

Sec. 2. All acts and parts of acts in conflict herewith are hereby repealed.

Approved, May 18, 1934.

[PUBLIC, NO. 235, 73D CONG.]

An act (S. 2841) to provide punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System

*Be it enacted, etc.*, That as used in this act the term "bank" includes any member bank of the Federal Reserve System, and any bank, banking association, trust company, savings bank, or other banking institution organized or operating under the laws of the United States.

Sec. 2. (a) Whoever, by force and violence, or by putting in fear, feloniously takes, or feloniously attempts to take, from the person or presence of another any property or money or any other thing of value belonging to, or in the care, custody, control, management, or possession of, any bank shall be fined not more than \$5,000 or imprisoned not more than 20 years, or both.

(b) Whoever, in committing, or in attempting to commit, any offense defined in subsection (a) of this section, assaults any person, or puts in jeopardy the life of any person by the use of a dangerous weapon or device, shall be fined not less than \$1,000 nor more than \$10,000 or imprisoned not less than 5 years nor more than 25 years, or both.

Sec. 3. Whoever, in committing any offense defined in this act, or in avoiding or attempting to avoid apprehension for the commission of such offense, or in freeing himself or attempting to free himself from arrest or confinement for such offense, kills any person, or forces any person to accompany him without the consent of such person, shall be punished by imprisonment for not less than 10 years, or by death if the verdict of the jury shall so direct.

Sec. 4. Jurisdiction over any offense defined by this act shall not be reserved exclusively to courts of the United States.

Approved, May 18, 1934.



[PUBLIC, NO. 246, 73D CONG.]

An act (S. 2845) to extend the provisions of the National Motor Vehicle Theft Act to other stolen property

*Be it enacted, etc.,* That this act may be cited as the "National Stolen Property Act."

SEC. 2. That when used in this act—

(a) The term "interstate or foreign commerce" shall mean transportation from one State, Territory, or the District of Columbia to another State, Territory, or the District of Columbia, or to a foreign country, or from a foreign country to any State, Territory, or the District of Columbia.

(b) The term "securities" shall include any note, stock certificate, bond, debenture, check, draft, warrant, traveler's check, letter of credit, warehouse receipt, negotiable bill of lading, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate; certificate of interest in property, tangible or intangible; instrument or document or writing evidencing ownership of goods, wares, and merchandise; or transferring or assigning any right, title, or interest in or to goods, wares, and merchandise, or, in general, any instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, warrant, or right to subscribe to or purchase any of the foregoing, or any forged, counterfeited, or spurious representation of any of the foregoing.

(c) The term "money" shall mean the legal tender of the United States or of any foreign country, or any counterfeit thereof.

SEC. 3. Whoever shall transport or cause to be transported in interstate or foreign commerce any goods, wares, or merchandise, securities, or money, of the value of \$5,000 or more theretofore stolen or taken feloniously by fraud or with intent to steal or purloin, knowing the same to have been so stolen or taken, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than 10 years, or both.

SEC. 4. Whoever shall receive, conceal, store, barter, sell, or dispose of any goods, wares, or merchandise, securities, or money, of the value of \$5,000 or more, or whoever shall pledge or accept as security for a loan any goods, wares, or merchandise, or securities of the value of \$500 or more which, while moving in or constituting a part of interstate or foreign commerce, has been stolen or taken feloniously by fraud or with intent to steal or purloin, knowing the same to have been stolen or taken, shall be punished by a fine of not more than \$10,000 or by imprisonment of not more than 10 years, or both.

SEC. 5. In the event that a defendant is charged in the same indictment with two or more violations of this act, then the aggregate value of all goods, wares, and merchandise, securities, and money referred to in such indictment shall constitute the value thereof for the purposes of sections 3 and 4 hereof.

SEC. 6. Any person violating this act may be punished in any district into or through which such goods, wares, or merchandise, or such securities or money, have been transported or removed.

SEC. 7. Nothing herein shall be construed to repeal, modify, or amend any part of the act of October 29, 1919 (ch. 89), cited as the "National Motor Vehicle Theft Act."

Approved, May 22, 1934.

[PUBLIC, NO. 324, 73D CONG.]

A bill (S. 3041) to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes

*Be it enacted, etc.,* That whoever shall induce any person employed in the construction, prosecution, or completion of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, or in the repair thereof to give up any part of the compensation to which he is entitled under his contract of employment, by force, intimidation, threat of procuring dismissal from such employment, or by any other manner whatsoever, shall be fined not more than \$5,000, or imprisoned not more than 5 years, or both.

SEC. 2. To aid in the enforcement of the above section, the Secretary of the Treasury and the Secretary of the Interior jointly shall make reasonable regulations for contractors or subcontractors on any such building or work, including a provision that each contractor and subcontractor shall furnish weekly a sworn affidavit with respect to the wages paid each employee during the preceding week.

Approved, June 13, 1934.

[PUBLIC, NO. 293, 73D CONG.]

An act (H.R. 7353) granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes

*Be it enacted, etc.,* That the consent of Congress is hereby given to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime and in the enforcement of their respective criminal laws and policies, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

Approved, June 6, 1934.

Below are given the short title and the status of the pending bills:

S. 1978 (Rept. No. 710). A bill to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching.

This bill, as indicated by the short title, is intended in the main to prevent lynching and mob violence. It is pending on the Senate Calendar, No. 750.

S. 2246. A bill to amend the Packers and Stockyards Act. Passed the Senate on June 13, 1934.

This bill is intended to add title V to the Packers and Stockyards Act, to regulate the handling of live poultry. The type of racketeering that this bill would prevent is one of the most prevalent, and in many instances has increased the price of poultry to the consumer as much as 8 cents a pound. It is pending before the House Committee on Agriculture.

S. 2254. A bill to amend section 1014 of the Revised Statutes of the United States.

This bill is designed to abolish the writ of habeas corpus in cases where the writ has been granted to test the validity of a warrant of removal or detention thereunder and after a complete hearing the petitioner has been remanded to custody for removal on said warrant. This is considered to be a very desirable and far-reaching piece of legislation. The bill is pending before the Senate Committee on the Judiciary.

S. 2255. A bill to regulate the defense of alibi in criminal cases.

This bill makes it discretionary for the court on the interposition of the defense of alibi to grant a recess in order to enable the prosecution to inquire into the merits of the alibi defense. It has passed the Senate and is now pending before the House Committee on the Judiciary.

S. 2257. A bill to authorize the consolidation of investigative agencies.

This bill authorizes the President, by Executive order, to consolidate the several penal and investigative agencies of the Federal Government. This matter has been discussed for a number of years, and it is believed that some consolidation of these investigative agencies should be made. It is pending before the Senate Committee on the Judiciary.

S. 2782. A bill to protect and preserve fingerprint records in the possession of bureaus of identification or investigation.

The purposes of this legislation are as indicated in the short title. It is pending before the Senate Committee on the Judiciary.

S. 2838. A bill to establish a confidential relationship between guidance workers and pupils or patients.

One of the major problems resulting from the investigation of this committee is to correct juvenile delinquency. This bill is intended to make records kept in the schools regarding antisocial conduct of pupils privileged and to grant the educational personnel who keep these records the privileged status which is now enjoyed by doctors, lawyers, and clergymen. Legislation which, in the opinion of the committee, should be passed. It is pending before the Senate Committee on the Judiciary.

S. 2840. A bill to provide for the taxation of manufacturers, importers, and dealers in small firearms and machine guns.

This bill is designed to regulate and restrict the use of firearms by the imposition of an excise tax levied on manufacturers, importers, and dealers. The bill is pending before the Senate Committee on the Judiciary.

S. 2842. A bill to make husband or wife of defendant a competent witness in all criminal prosecutions.

This bill is designed, as indicated in the short title, to make husband or wife competent to testify to any statement made during the existence of the marriage relationship admitted confidential at common law. The bill is pending before the Senate Committee on the Judiciary.

S. 2844. A bill to tax the sale or other disposal of firearms and machine guns by importers, manufacturers, and others, and to restrain the importation thereof.

Designed to regulate the transportation in interstate and foreign commerce of firearms, including machine guns, by internal-revenue tax. The bill is pending before the Senate Committee on the Judiciary.

S. 3068. A bill to provide deportation of aliens upon conviction of a felony.

This bill is intended to make mandatory the deportation of aliens upon conviction of a crime involving punishment of imprisonment for a term exceeding 1 year. This is a far-reaching piece of legislation and should be passed. The bill is pending before the Senate in modified form, S. 3771, as reported by the Committee on Immigration.

S. 3069. A bill relative to coercion of witnesses.

This bill provides a penalty for making the testimony of any person unavailable in any court or before any jury by writing or using any other means of coercion or intimidation. The bill is pending before the Senate Committee on the Judiciary.

S. 3070. A bill making it a felony to willfully fail to appear after having been admitted to bail.

This bill makes it a felony for any person who has been admitted to bail in connection with a charge of an offense punishable by death or imprisonment for a term exceeding 1 year to willfully fail to appear. The bill is pending before the Senate Committee on the Judiciary.

S. 3071. A bill to prevent the promotion of frauds through interstate communication.



This bill provides fine or imprisonment for any person who shall communicate or attempt to communicate any message by any method whatsoever for the purpose of promoting fraud. It is pending before the Senate Committee on the Judiciary.

S. 3073 and 3074. Bills to amend sections 1015 and 1016 of the Revised Statutes.

These bills make it mandatory on the judge or other persons authorized to take bail to inquire into the source of money or security offered for such bail, and if it shall appear that any money or security so offered shall be the proceeds of certain crimes of violence to refuse to grant such bail. They are pending before the Senate Committee on the Judiciary.

S. 3075. A bill to permit the appointment of special agents of the Division of Investigation as State officers. Report No. 1123.

This legislation is intended to increase Federal jurisdiction within the several States by the appointment of special agents in the Division of Investigation on the nomination of the Governors of the several States. Such special agents so named to also possess the police power of the State from which they are nominated on the employment of the Attorney General. These particular special agents would have jurisdiction both Federal and State. The unsuccessful attempts to secure the arrest of Dillinger is evidence of the desirability of such legislation. It passed the Senate on June 13, 1934; now pending before the House Judiciary Committee.

S. 3076. A bill to prohibit the transportation in interstate or foreign commerce and carriage through the mails of certain gambling devices, and for other purposes.

This bill is intended to make it unlawful to transport within the limits of the jurisdiction of the United States certain gambling devices, including slot machines. The committee in its investigation obtained a catalog of 80 pages known as the "Secret Blue Book." Every device offered for sale in this catalog is controlled in some mechanical or electrical way giving the innocent victim no chance whatever and making gambling a sure thing for the professional gambler. This piece of legislation should be enacted. The bill is pending before the Senate Committee on Interstate Commerce.

S. 3476. A bill to prohibit the making, passing, or negotiation of spurious checks or other financial paper purporting to be payable by institutions in other States.

This bill is aimed at the transportation and negotiation of spurious paper in interstate and foreign commerce. Spurious paper is drawn on both real and fictitious banks. It is usually negotiated in a widely separated locality from the place in which it is drawn. The unfortunate thing in this type of fraud is the fact that the banks are not the losers but the innocent merchant who receives and cashes the spurious paper is the victim when the same is presented to his bank in the nature of a deposit. The bill is pending before the Senate Committee on the Judiciary.

S. 3556. A bill prohibiting the transportation in interstate or foreign commerce of plates, dies, forms, or tools intended to be used in the reproduction of any security or financial paper.

This bill is designed to stop the transportation in interstate or foreign commerce of plates, dies, forms, or tools intended to be used in the making of counterfeit securities or financial paper. The hearings of this committee indicated that professionals engaged in the transportation of spurious money, stocks, and securities carry with them plates or dies which are of small bulk and readily transported. Printing presses are available now in almost any community, and it is frequently more convenient and advisable to transport the means of producing counterfeits rather than to transport a large bulk of counterfeit paper. The methods of reproduction and engraving adopted by the modern counterfeiter have followed the development of the legitimate printer's art. It is believed that this legislation is meritorious and should be passed. The bill is pending before the Senate Committee on the Judiciary.

S. 3623. A bill authorizing the introduction in evidence in criminal cases of testimony taken at a preliminary hearing, and for other purposes.

In many criminal cases when brought to trial the testimony of important witnesses is not available owing to the fact that the witnesses are dead, have become intimidated, or are kept away from the trial by the willful acts of the accused. This bill is believed to be a substantial reinstatement of the common law and it is believed that as such it will be held not to contravene the Constitution. It is the common practice of gangsters who are indicted and held for trial to kill or intimidate witnesses intended to be used by the prosecution. If this legislation is enacted it will have a far-reaching effect in criminal trials, particularly where the accused is tried for crimes of violence. It is believed that this legislation should be passed. The bill is pending before the Senate Committee on the Judiciary.

S. 3680. A bill to provide for the taxation of manufacturers, importers, and dealers in small firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof.

The purposes of this legislation are as indicated in the short title. It is pending before the Senate Committee on Commerce.

To the same end, a new and revised firearms bill was introduced today. It is known as "S. 3795."

One of the achievements of this committee, I think, is what we have accomplished in the study of juvenile delinquency. Anyhow, we are convinced that this is America's most pressing social problem.

Extensive hearings were held, and educators, social workers, penologists, and police officials contributed richly to the symposium. At the proper time the committee will describe the individual activities of various persons who have contributed to our efforts.

As a result of our work the Congress has written into the District of Columbia appropriation bill provisions for character education in the schools in Washington. Plans for that activity are being formulated, and we hope that out of this experiment will be found another means of guarding against juvenile delinquency and adult crime. We expect to make another report covering this particular subject.

It is the feeling of the committee that our hearings are well worth study. We call particular attention to the digest of the hearings, which has been widely distributed because of the calls made for it.

Needless to say, our work is far from complete. We have other measures under contemplation, and the program of legislation which we have already proposed has not yet been enacted into law. It is our expectation that our hearings will continue at the beginning of the next session. Further efforts will be made to deal with crimes of violence, kidnaping, racketeering, so far as they may be reached through legal procedure.

G.A.R. ENCAMPMENT, ROCHESTER, N.Y.

Mr. REYNOLDS. Mr. President, I wish to enter a motion to reconsider the vote by which the bill (H.R. 9145) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, was passed yesterday during my absence from the city. It relates to an appropriation of \$3,700 for the expenses of the Marine Band to go to Rochester, N.Y., to the annual convention of the Union soldiers.

I wish, with reference to that particular matter, to attach an amendment authorizing a like appropriation of \$3,700 to pay the expenses of the Marine Band from Washington to my home city of Asheville, N.C., for the purpose of attending the annual convention of the Thirtieth Division, an overseas outfit composed of men from my State of North Carolina and her sister States of South Carolina and Tennessee.

I might add in that connection that Asheville is located almost in the heart of the Great Smoky Mountain National Park which will soon be opened generally to the public. For various and sundry reasons the people of North Carolina are particularly interested in having with them on that occasion the Marine Band.

Mr. NORRIS. Mr. President, the Senator does not intend to seek action on the motion now, does he?

Mr. REYNOLDS. No; I should like merely an opportunity to enter the motion.

The VICE PRESIDENT. The Chair will suggest to the Senator from North Carolina, in view of the situation, that he ask as in legislative session that he may enter the motion to reconsider the vote by which the bill was passed, and then call up the motion at some future time.

Mr. REYNOLDS. Very well; I submit that request.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Carolina, as in legislative session, that he may enter a motion to reconsider the vote by which House bill 9145 was passed? The Chair hears none, and the motion is entered.

ECONOMIC CONDITIONS—ADDRESS BY BAINBRIDGE COLBY

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an address on economic conditions delivered by the Honorable Bainbridge Colby, former Secretary of State, before the Economic Club in New York City on May 24, 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is not surprising that Mr. Mills should see in much of current legislation and administration a retrogressive tendency, a reverting to the past, even the remote past, and to viewpoints long regarded as definitely left behind in the evolution of the race.

There is a very respectable body of philosophical thinking which does not regard the inherent tendency of life as upward and onward—in other words, as progressive.

On the contrary, this school of thought holds that the proclivity of the race toward deterioration is constant, and that the



most important responsibility of the progressive forces in society is to arrest and halt the ever active tendencies to deterioration.

This is not a sanguine philosophy, and yet it justifies those who insist upon a careful scrutiny of radical proposals before their adoption, lest it be found that in our enthusiasm for change we have sacrificed more than we have won, and the net result is loss of ground.

The first effort of progress must therefore be to retain the progress already made. The fruits of hard-won victories in the past are not lightly to be relinquished. The points of departure for new social advances should be the front of the line and not the back areas of the human struggle from which it has taken us years to emerge.

Mr. Mills has given what may prove a very profitable direction to our thought. It has often happened in the past that attempts to introduce new benefits are seen on closer inspection to be attempts to resuscitate past evils. If the new deal is to any, or to a considerable extent, an old mistake, it behooves us all to know it. In the field of government, and in dealing with the great forces that make up the Nation's life, we cannot afford to go it blind. The determination as to whether we are going forward or back, it seems to me, lies at the very threshold of all other decisions. Ardor, no matter how impatient, must pause while that decision is being made. So important a fork in the road requires that the signposts be carefully scanned.

The "great issues of the contemporary world", as we hear the problems of the hour described, are probably neither so great nor so unexampled as, for instance, Mr. Tugwell and Mr. Richberg think them.

The talk of revolution, and even the use of the word, seems confined to the members of the "brain trust", who flash it upon us as the dread and solitary alternative to their unpalatable designs upon our liberties. They remind me of a well-known author who strove to crowd his novels with excitement. A critic observed that, as you turned his pages, "the suspense of the author was almost unbearable."

With the exception of the rostrum in Union Square, where there is no closed season for Communists and other advocates of violence and class upheaval, the talk of revolution seems to extend no further than the intimate intellectual circle which has gained the attention—to what genuine extent, I cannot say—of the President.

The great mass of Americans have little interest and less patience for such talk. They know they are passing through a storm. They are confident they can weather it. It might be much worse. Their faith remains unshaken in the saving grace ultimately of industry, integrity, and prudence—in other words, sobriety and common sense—to effect an adjustment of their lives to the march of social and industrial evolution.

There is a feeling, ready to be called forth, against any attempt of the law to control individuals in things in which they have not been accustomed to be controlled. Nevertheless, the tendency of all the changes taking place in the world is to strengthen society and diminish the power of the individual.

Between these two tendencies, the struggle is not new. It is going on now—before our eyes. The question is in what spirit we shall survey it and at what point make a stand for individual freedom against intolerable encroachment, whatever guise the latter wears and from whatever quarter it proceeds.

In the first place we must be fair. The times are too serious for criticism vitiated by partisanship, conscious distortion of fact, or exaggeration, whether of claims on behalf of the new measures or apprehended consequences.

We should not allow ourselves to forget that when Mr. Roosevelt took office, the country was weighed down by the cumulative effects of many policies and practices now seen to have been tragically mistaken.

Our strength had been wasted and consumed by extravagance in every field of expenditure, improvident foreign loans of vast amount, riotous speculation, reckless borrowing by States, municipalities, and even counties and townships. An insane belief prevailed that social and industrial anarchy could continue indefinitely, and that stimulants were as nourishing as food.

These vanities of thought and conduct were bound to come home to roost. Our troubles of a year ago were due to the fact that they came home to roost all at once. The country was as near prostration as it could come and still avoid collapse when Mr. Roosevelt brought his fresh energy and his inspiring self-confidence to the work of rescue.

He has done many things that had to be done and were difficult to do. That he has justifiably resorted to experimentation in many fields where solutions were not at hand nor their nature clearly discerned is the opinion held by most thoughtful Americans.

Action was imperatively required. The adverse currents in the Nation's life had to be arrested and reversed, however hazardous the expedients resorted to. Not all could succeed—that some must fail was clearly perceived. The venture was demanded by the country's plight. The dangers of incaution were far less than the dangers of inaction.

Despite the pressure and urgency of his task, the President has steadfastly and conscientiously recognized the fact that practical supremacy under our Constitution resides in the representatives of the people. This truth he has never lost sight of, although it is an open question what actual function, what precise part in the machinery of government shall be directly performed by the representative body.

Great variations in this respect are compatible with the essence of representative government, provided the functions are such as secure the representative body in the control of everything in the last resort.

And we must not forget that there is a radical distinction between controlling the business of government and actually doing it. The same body may be able to control everything but cannot possibly do everything; and in many cases its control over everything will be more perfect the less it personally attempts to do.

Instead of the function of governing, for which it is radically unfitted, the proper office of a representative assembly is to watch and control the government; to throw the light of publicity on its acts; to compel the full exposition and justification of all of them which anyone considers questionable; to censure them if found deserving of censure; and if the men who compose the government abuse their trust or treat it in a manner which conflicts with the deliberate sense of the nation, to expel them from office.

"This", says John Stuart Mill, from whom I am quoting, "is surely ample power and security enough for the liberty of the nation."

Truly the cry of usurpation cannot be raised against a President so conscious of the source from which governmental power springs, and so observant of the constitutional channels of its flow.

The present administration has now held office for nearly a third of its elected term. If it is too early to pass judgment it is not too soon to indulge in opinion, and opinion is not necessarily hostile because it is discriminating.

Criticism is one of truth's implements. It need not be constructive only, to be valuable and patriotic—much that we hear to the contrary notwithstanding.

"Negative logic" is the phrase used by John Stuart Mill in describing criticism which points out weaknesses in theory, or errors in practice, without establishing positive truths. He remarked the fashion of all times to disparage such criticism but added that, as a means of attaining any positive knowledge or conviction worthy of the name, it could not be appraised too highly. Until people are systematically trained to it, said he, there will be a low general average of intellect.

From day to day we are told that the regimentation of American life is steadily proceeding. We are sternly admonished that "America must choose"—choose between our inherited and deeply ingrained faith in freedom and individual liberty, endeared to us by time and the triumphs we have won under their banners, and this un-American alternative called "regimentation", or as it is sometimes described, "planned direction" of all our actions to which the new control can be applied.

As a Democrat, I propose to take the time necessary to get my bearings. Belonging to a party which, throughout our history, has jealously resisted every undue extension of governmental function at the expense of the individual's liberty, I feel entitled to ascertain what has happened to my party, that its present leaders should be so intent upon crushing every sentiment and garroting every principle, regarded heretofore as characterizing the Democratic Party.

I recall a remark President Wilson made to me one day during the height of the war. Said he:

"I have come to conclusion that one of the chief duties resting upon the President of the United States is to keep his shirt on."

Here is an admonition to be put alongside the somewhat tempestuous warning that "America must choose."

The years teach much which the days never know.

We are not unaccustomed to interventions by the State in the business and relationships of the individual. With the progress of society and the growing complexity and interdependence of all relationships, there has been not only in this country but in all civilized countries, an increasing disposition to look to the State for needed initiative and protective intervention which society could not otherwise provide.

There has always been a willingness on the part of our countrymen to tolerate strong leadership on the part of the Executive. It goes beyond tolerance. It is, in fact, an expectation of the people that the President shall indicate the way to be traveled, particularly in times of difficulty or crisis, to which the slower pace of customary or established procedure is unsuited.

But there is a very definite condition or implication attached to this tolerance, and it is this: That the mold of our constitutional government shall not be broken and that whatever of innovation is attempted shall be conformable to the spirit of America and to the principles upon which the Nation has been built. Furthermore, the right of the State to intervene in any situation presupposes that it can do so with sufficient equipment of impartiality and knowledge, which is supported and validated by experience.

When a man, for instance, who stands high in the President's confidence, holding an important official position in the administration, and frequently put forward as its spokesman, is disclosed as referring to our popular morality as having its roots in a past age; to our religion as clinging to outworn ethics and being irrelevant for the present; to our public-school education as dominated by the two, both thoroughly outmoded; and when, with such opinions to start with, this official voice speaks of the present trends as destined to completely remake American economic life, the reaction in the mind of the average American is, How do you get that way?

It is clear that an administration harboring such thinking will have to meet America at the cross-roads and sustain a vast amount



of criticism which by no stretch of the imagination could be called constructive.

In fact, the hope of the country, its fate and ultimate happiness, may depend on the capacity of the present generation of Americans for bold and searching criticism. By that I do not mean the expression of mere dislike for the innovations we are called to unhesitatingly accept, nor mere denunciation of the alien and un-American philosophy which we are disturbed to find coiled and hidden under the astute phrasing of the new laws.

I mean criticism which will pluck off masks, face unpleasant facts and uncover them, reach down to the vitals of covert design and unavowed purpose, and exhibit to the people in clear outline and intelligible terms the changes sought to be impressed upon their Government.

Consider for a moment what has taken place in a little over a twelvemonth.

The Federal Government has been empowered to control the production and distribution of all agricultural products.

To control the production and distribution of substantially all other articles moving in commerce.

To regulate the business of banking to the exclusion of the States.

To regulate and control the issuance, distribution, and sale of all securities.

To fix the civil rights and liabilities of persons engaged in the sale of all articles moving in interstate commerce or whose sale is solicited by means of interstate communication or through the mails.

At a single session of Congress there has been passed a body of laws which in effect transfers to the Federal Government the entire police power of the States.

A vast bureaucracy has been called into being and fastened upon us without our realizing it, much less authorizing it. We are startled to find ourselves subject to bureaucratic rule down to the smallest and most intimate activities that enter into our daily lives.

It makes a Democrat thoughtful to behold such a transformation of the United States of America. Almost overnight it has been brought to pass. But our people, emerging at last from a season of bewilderment and passivity, begin to see the shadow cast upon their liberties by the new measures, the new agencies of government, and the new social and political theories, which have suddenly attained so luxuriant a growth.

Gradually it has dawned upon the country, and it is now quite plain, that recovery was only partially the aim of the administration. A great part of its interest has been in radical institutional overturn and the new modeling of the State.

It has moved toward its objectives at times, I regret to say, with a certain indirection, avoiding admission of its designs until it was found convenient to lay aside concealment.

Thus measures, which were to meet an emergency, we are now told are to be permanent.

Other measures, which were to promote recovery, but have had quite the opposite result, are now justified as reforms, regardless of their consequences.

The guaranties of the Constitution are dismissed lightly, as if they were irrelevances in the present-day life of America. The basic principles of the Constitution, we are told, must be somehow got around. A little jugglery of phrase by an agile bill draftsman will suffice, or so it is thought by the new school of statesmanship—the adolescent school, I might call it, or perhaps, the intuitive.

But will it suffice? This is a question the determination of which is drawing near.

In our long history there have been recurring periods when our institutions have seemed to be in peril. More than once in our history, dangers comparable to those which seem now to threaten have hovered close about us. There have been periods of great anxiety for the Constitution, periods when the people have been apprehensive as to what the courts might do.

But if one will review the history of past crises, it will be seen how splendidly the Constitution has met each one, and how faithfully our highest court has discharged its duty as the Constitution's guardian, as well as its interpreter.

There seems to be in each successive generation of Americans an attachment and loyalty to the Constitution, which the restless innovator and the mad-cap theorist are prone to underestimate. This loyalty is neither noisy nor assertive. It mobilizes quietly but ponderously. Nothing has yet been able to withstand it. It has always prevailed. It will again.

While it cannot be denied that we are seemingly embarked on perilous courses, there are nevertheless reassuring elements in the situation. These should not be forgotten.

It should not be forgotten that we are swimming with a life-line around our waist. It is designed for just such moments in the Nation's life when temporary pressures make the trial of untested expedients peculiarly tempting.

The Constitution still lives, and we are a constitutional democracy.

The President is sworn to uphold it. The courts are sworn to apply it. It is the inviolable sanctuary of our liberty—the ark of our freedom.

Storms have beat upon it. It has survived them all. Armed rebellion could not prevail over it. Treason has not been able to overthrow it. It has bound the States together against divi-

sion and dispersal. It has, time and again, turned defiance into obedience, and mockery into veneration.

It is the most American thing about America. Darkness shall not envelop it. The sons of evil shall not stand against it.

There is another ground for assurance in these unsettled times. It should not be lost sight of. You may have noted that the President, very wisely it seems to me, has avoided personal commitment on any matter of theory or apparent constitutional departure. It will therefore not be difficult for him, as the inevitable failure of some of the experiments of his administration are revealed, to abandon them. He is morally free to pass judgment on the extent to which any experiment or innovation, which has been attempted, is incompatible with the habits of thought, the racial instincts, and the governmental traditions of the American people.

In addition, we may gratefully bear in mind that in all the confusion of cults and the babel of theory that have come out of the college classrooms, amidst the endless debate as to the relative merits of regimentation and free collectivism, planned economy and compensatory economy, we have preserved unimpaired the right of free speech, the right of a free press, and the complete freedom of amendment, recission, and repeal in our representative body.

In other words, we have preserved intact the entire machinery for the correction of our errors. It has been well said that the source of everything respectable in man, either as an intellectual or as a moral being, is that he is capable of rectifying his mistakes by discussion and experience. Wrong opinions and practices have always yielded to fact and argument.

So long as this power of self-correction is at our command, we may err and stray from the true spirit of our institutions, but we have not lost the way back nor the means of reaching home again.

#### FOREIGN TRADE—LETTER FROM GEORGE N. PEEK

Mr. PITTMAN. Mr. President, I have in my possession a letter to the President, on foreign trade, written by Mr. George N. Peek, special adviser to the President on foreign trade. It is a very valuable document dealing with the commercial and financial trend in this country from 1896 to 1933. I think it should be made available to every Member of Congress, and others. Therefore, I ask unanimous consent that it be published in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTER FROM GEORGE N. PEEK, SPECIAL ADVISER TO THE PRESIDENT ON FOREIGN TRADE

OFFICE OF THE SPECIAL ADVISER TO THE  
PRESIDENT ON FOREIGN TRADE,  
Washington, May 23, 1934.

The PRESIDENT,  
The White House.

DEAR MR. PRESIDENT: Pursuant to our conversations, I have caused certain studies to be made with respect to foreign-trade problems. In the course of these studies we have set up a tentative international balance sheet to see what the present situation is with respect to our foreign business and to attempt to ascertain from the records some reasons for the prevailing conditions.

The figures in the attached exhibits show that the trend in our international trade has been cumulatively disadvantageous to us. In our international commercial relations we have not utilized the simple device of a balance sheet to discover whether we have been doing business at a profit or at a loss. As you have stated a number of times, our exports and our imports of goods and services must balance. During the periods covered by the figures these exports and imports have been grossly out of balance; nevertheless, we have pointed with pride to our "favorable balance of trade."

We have no adequate national bookkeeping system for our foreign financial relations. The statistical bases for the balance of payments estimates since 1922 are the figures published annually by the Department of Commerce. For earlier years extensive use was made of the studies by the Harvard University Committee of Economic Research which compiled estimates for a number of years, ending with 1921. The basic data are unsatisfactory in some respects and in some instances represent estimates, but they serve to indicate the necessity for developing exact balance sheets between this country and each of the countries with which we are now dealing, or with which we propose to deal.

From these data we have assembled the figures covering the years from 1896 to 1933, inclusive, in order to show the commercial and financial trends of this country with the rest of the world. Thus assembled, they indicate that in this 38-year period—we sold to the world goods in the amount of \$121,250,000,000 we bought from the world goods in the amount

of -----	84,604,000,000
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thereby placing the world in debt to us for goods in the amount of -----	36,646,000,000
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Thus, the value of our imports of goods is, on the face of these figures, less than 70 percent of our exports.



As against this export excess we must in fairness deduct the amounts which our tourists spent abroad, and which our immigrants, charitable organizations, and others sent abroad.....

leaving an apparently favorable balance of.....

Services rendered by us to the world such as shipping and freight services, together with interest and dividend payments on our foreign investments, interest and principal payments on war debts, miscellaneous and other items, placed the world in debt to us for an additional.....

making a total owed to us of.....

Services rendered to us by the world such as shipping and freight services, together with our interest and dividend payments on foreigners' investments in the United States, miscellaneous and other items, in the amount of..... together with net gold imports of.....

reduced the world debt to us by.....

resulting in a net increase during the 38-year period in the debt owing to us amounted to.....

This increase in debt is represented by foreign securities and other investments in foreign countries bought by United States citizens, net \$14,398,000,000, and war loans advanced by the United States Government, \$10,304,000,000, making a total of \$24,702,000,000. From these figures must be deducted United States securities and other investments made by foreigners in the United States, net \$2,057,000,000, resulting in the above net increase in debt of \$22,645,000,000. Our national assets will be diminished by the amount of this debt which is not paid. (These figures represent net capital movement and should be added to the estimated \$2,500,000,000 which foreigners had invested in the United States in 1896, and the estimated \$500,000,000 which we had invested in foreign countries in that year, to reflect the approximate present position.)

For the purpose of better comparison and in order that the account for the war period may be set off by itself because of its special features, the accounts have been set up for four separate periods within the total period of 38 years covered by these studies. The first period is from 1896 to 1914, during which a relatively satisfactory state of commercial intercourse existed throughout the world; the second from 1915 to 1922, in which our trade with the world was distorted by the World War; the third from 1923 to 1929, during which the foundations for present conditions in world trade were laid; and the fourth from 1930 to 1933.

I invite your attention to certain outstanding items of each of these periods, namely:

#### PERIOD 1896-1914

1. The value of the goods we exported exceeded by the sum of \$8,853,000,000 the goods we imported.

2. Our tourists and immigrants spent or sent abroad funds to the extent of \$6,080,000,000.

3. Our own foreign investments increased from \$500,000,000 at the beginning of the period to \$1,500,000,000 at the end of the period.

4. At the beginning of the period foreign investments in the United States amounted to \$2,500,000,000, and at the end of the period they had increased to the new high of \$4,500,000,000.

#### PERIOD 1915-22

1. The value of the goods we exported exceeded by the sum of \$21,186,000,000 the goods we imported.

2. Our tourists and immigrants spent or sent abroad funds to the extent of \$3,500,000,000.

3. Our own foreign investments (private) increased by \$6,779,000,000 during this period, and we acquired obligations of foreign governments (the "war debts") in the sum of \$10,304,000,000.

4. At the beginning of the period foreign investments in the United States amounted to \$4,500,000,000, and at the end of the period these were reduced to about \$2,250,000,000.

#### PERIOD 1923-29

1. The value of the goods we exported exceeded by the sum of \$4,976,000,000 the goods we imported.

2. Our tourists and immigrants spent or sent abroad funds to the extent of \$7,021,000,000.

3. We took new foreign investments to a grand total of \$7,140,000,000.

4. During the period foreign investments in the United States increased by the sum of \$4,568,000,000.

#### PERIOD 1930-33

1. The value of the goods we exported exceeded by the sum of \$1,631,000,000 the goods we imported.

2. Our tourists and immigrants spent or sent abroad funds to the extent of \$2,828,000,000.

3. Our investments abroad were decreased by the net sum of \$521,000,000.

4. Foreign investments in the United States were decreased by the net sum of \$2,289,000,000.

I am transmitting with this letter certain summary sheets for the periods discussed and a recapitulation, in detail, for the entire period. During these preliminary studies I have become convinced that a change is necessary in our approach to foreign-trade activities and their relation to our domestic problems. We must develop complete balance sheets between this country and each of the countries with which we are now dealing or with which we propose to deal. Certain information necessary in preparing these new balance sheets is not now available to the Government—I have particular reference to capital movements. To understand the past and to prepare for the future we must get the facts.

Faithfully yours,

GEORGE N. PEEK,  
Special Adviser.

Period no. 1, July 1, 1896-June 30, 1914

(This is the pre-war period (18 years))

During this period we sold to the world goods in the amount of..... and we bought from the world goods in the amount of.....

thereby placing the world in debt to us for goods in the amount of.....

As against this export excess we must deduct the amounts which our tourists spent abroad and which our immigrants, charitable organizations, and others sent abroad.....

leaving a balance owed to us of.....

Services rendered by us to the world such as shipping and freight services, together with interest and dividend payments on our foreign investments and miscellaneous and other items placed the world in debt to us for an additional.....

making a total owed to us of.....

Services rendered to us by the world such as shipping and freight services together with our interest and dividend payments on foreigners' investments in the United States and miscellaneous and other items in the amount of..... together with net gold imports of.....

reduced the world debt to us by.....

resulting in a net increase during the 18-year period in the debt owed by us amounting to.....

This increase in debt is represented by—

United States securities purchased and other investments made in United States by foreigners.....

less foreign securities purchased and other investments made in foreign countries by United States citizens.....

resulting in net increase in debt owed by us of.....

Period no. 2, July 1, 1914-22

(This is the war period (8½ years))

During this period we sold to the world goods in the amount of..... and we bought from the world goods in the amount of..... thereby placing the world in debt to us for goods

in the amount of.....

As against this export excess we must deduct the amounts which our tourists spent abroad and which our immigrants, charitable organizations and others sent abroad.....

leaving a balance owed to us of.....

Services rendered by us to the world such as shipping and freight services together with interest and dividend payments on our foreign investments, interest, and principal payments on war debts and miscellaneous and other items placed the world in debt to us for an additional.....

making a total owed to us of..... \$26,218,000,000  
 Services rendered to us by the world such as shipping and freight services together with our interest and dividend payments on foreigners' investments in the United States and miscellaneous and other items in the amount of..... \$5,167,000,000  
 together with net gold imports of..... 1,746,000,000

reduced the world debt to us by..... 6,913,000,000

resulting in a net increase during the 8½-year period in the debt owed to us amounting to..... 19,305,000,000

This increase in debt is represented by—  
 foreign securities purchased and other investments made in foreign countries by United States citizens, net..... \$6,779,000,000  
 United States Government loans to foreign governments (war debts)..... 10,304,000,000  
 and United States securities repurchased from foreigners, net..... 2,222,000,000

resulting in net increase in debt owed to us of..... 19,305,000,000

Period no. 3, 1923-29

(This is the post-war period (7 years))

During this period we sold to the world goods in the amount of..... \$33,711,000,000  
 and we bought from the world goods in the amount of..... 28,735,000,000

thereby placing the world in debt to us for goods in the amount of..... 4,976,000,000

As against this export excess we must deduct the amounts which our tourists spend abroad and which our immigrants, charitable organizations, and others sent abroad..... 7,021,000,000

leaving a balance owed by us of..... 2,045,000,000

Services rendered by us to the world, such as shipping and freight services, together with interest and dividend payments on our foreign investments, interest, and principal payments on war debts, and miscellaneous and other items placed the world in debt to us for an additional..... 10,667,000,000

making a balance owed to us of..... 8,622,000,000

Services rendered to us by the world, such as shipping and freight services together with our interest and dividend payments on foreigners' investments in the United States and miscellaneous and other items in the amount of..... \$5,875,000,000  
 together with net gold imports of..... 175,000,000

reduced the world debt to us by..... 6,050,000,000

resulting in a net increase during the 7-year period in the debt owed to us amounting to..... 2,572,000,000

This increase in debt is represented by—  
 foreign securities purchased and other investments made in foreign countries by United States citizens, net..... 7,140,000,000  
 less United States securities purchased and other investments made in the United States by foreigners, net..... 4,568,000,000

resulting in net increase in debt owed to us..... 2,572,000,000

Period no. 4, 1930-33

(This is the deflation period (4 years))

During this period we sold to the world goods in the amount of..... \$9,554,000,000  
 and we bought from the world goods in the amount of..... 7,923,000,000

thereby placing the world in debt to us for goods in the amount of..... 1,631,000,000

As against this export excess we must deduct the amounts which our tourists spent abroad and which our immigrants, charitable organizations and others sent abroad..... 2,828,000,000

leaving a balance owed by us of..... 1,197,000,000

Services rendered by us to the world such as shipping and freight services, together with interest and dividend payments on our foreign investments, interest and principal payments on war debts and miscellaneous and other items placed the world in debt to us for an additional..... 5,764,000,000

making a balance owed to us of..... 4,567,000,000

Services rendered to us by the world such as shipping and freight services, together with our interest and dividend payments on foreigners' investments in the United States and miscellaneous and other items reduced the world debt to us by..... \$2,799,000,000

resulting in a net increase during the 4-year period in the debt owed to us amounting to..... 1,768,000,000

This increase in debt is offset by—  
 decrease in United States securities and other investments in the United States held by foreigners, net..... 2,289,000,000  
 less decrease in foreign securities and other investments in foreign countries owned by United States citizens, net..... 521,000,000

resulting in net offset of debt owed to us of..... 1,768,000,000

#### Recapitulation

INTERNATIONAL TRADE BALANCE BETWEEN THE UNITED STATES AND THE WORLD, 38 YEARS, 1896-1933, INCLUSIVE

[Figures in millions of dollars]

	July 1, 1896- June 30, 1914	July 1, 1914-22	1923-29	1930-33	Total
<b>UNITED STATES BILL OF ITEMS TO WORLD</b>					
1. Merchandise exports.....	31,033	46,952	33,711	9,554	121,250
2. Shipping and freight charges received.....	86	1,793	836	389	3,104
3. Interest and dividends received on United States private capital invested in foreign countries.....	760	1,470	4,770	2,440	9,440
4. Foreign tourists' expenditures in the United States.....			941	409	1,350
5. Immigrants' remittances and charity received in the United States.....			269	52	621
6. Foreign government expenditures in the United States.....			216	143	359
7. Miscellaneous items.....	409	537	2,193	1,043	4,182
8. Unestimated items, errors, omissions, etc. (net).....	243	3,766		696	4,705
9. United States currency exported (net).....		166			166
10. Gold exported (net).....				119	119
11. Interest and principal received by United States Government on loans to foreign governments (war debts).....		800	1,442	473	2,715
<b>PRIVATE CAPITAL ITEMS</b>					
12. Net increase or decrease in foreigners' long-term investments in the United States.....	2,000	2,422	2,131	261	1,970
13. Net increase or decrease in foreigners' short-term investments in the United States.....		200	2,437	2,550	87
	34,531	53,262	48,946	13,029	149,768
<b>WORLD BILL OF ITEMS TO UNITED STATES</b>					
1. Merchandise imports.....	22,180	25,766	28,735	7,923	84,604
2. Shipping and freight charges paid.....	727	1,966	1,117	617	4,427
3. Interest and dividends paid on foreign private capital invested in the United States.....	3,800	965	1,787	557	7,109
4. United States tourists' expenditures in foreign countries.....	3,230	700	4,617	2,062	10,609
5. Immigrants' remittances and charity paid to foreigners.....	2,850	2,800	2,404	766	8,820
6. United States Government expenditures in foreign countries.....		2,225	466	444	3,135
7. Miscellaneous items.....	670	11	2,152	1,021	3,754
8. Unestimated items, errors, omissions, etc. (net).....			143		143
9. United States currency imported (net).....			210	160	370
10. Gold imported (net).....	174	1,746	175		2,095
11. United States Government loans to foreign governments (war debts).....		10,304			10,304
<b>PRIVATE CAPITAL ITEMS</b>					
12. Net increase or decrease in United States long-term investments in foreign countries.....	1,000	6,509	5,843	14	13,366
13. Net increase or decrease in United States short-term investments in foreign countries.....		270	1,297	1,535	1,032
	34,531	53,262	48,946	13,029	149,768

<sup>1</sup> Decrease.

<sup>2</sup> Accrued interest at time of refunding is not included in this amount.

#### TARIFF ON COPPER

Mr. ASHURST. Mr. President, through the courtesy of the junior Senator from Utah [Mr. THOMAS] there has come to me a copy of an article entitled "Copper's Inadequate Tariff", written by Col. Charles H. Rutherford, a distinguished citizen of Arizona. The article appeared in the



March issue of Plain Talk Magazine. I ask permission that it may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Plain Talk Magazine, March 1934]

#### COPPER'S INADEQUATE TARIFF

By Col. Charles H. Rutherford

American copper mines and copper workers are facing a crisis, and a serious one at that. At the present time they are practically all closed down. But unlike nearly all other closed-down industries they do not look toward industrial recovery with optimism.

For the recovery of business in the United States to a more normal level will not open these closed copper mines and smelting plants as it will most of the other stagnant businesses in the United States. Only a higher tariff on copper, which will enable American-produced metal to compete with the pauper-produced product of foreign countries, will save them.

Most of the competition the American copper mines are up against comes from—

- (1) Africa, where slave and semislave labor is used.
- (2) Canada, where copper is a by-product mined with nickel, aluminum, gold, and silver.
- (3) Chile and Mexico, where labor is also very cheap.

The President of the United States has the authority under a recently passed enactment to put an embargo on copper; that is, stop its importation altogether.

The executives of the Arizona copper mining, in common with those of the copper-mining industry of the 13 other copper-producing States of the Union, hope that the President will establish this embargo. The very life of the American copper mines depends upon the actual embargo, or upon a tariff high enough to prevent the importation of all foreign copper.

The powerful American groups oppose this embargo, or the proposed tariff high enough to accomplish the same result. One of these groups is that back of the American fabricating plants. The other is that owning and operating copper mines in foreign countries, while at the same time operating copper mines in this country.

The owners of the fabricating plants are opposed to an embargo or a higher tariff because the products they manufacture are already covered by a high tariff. Therefore, the fabricators wish to buy their raw copper in the cheapest markets and maximize their profits.

American owners of foreign copper mines oppose an embargo or a higher tariff because this country consumes more copper products than any other nation and is therefore by far their best copper market.

And what makes the position of those domestic owners of foreign copper mines still more untenable is the fact that while they also control copper mines in the United States, their principal efforts are to sell their cheap foreign-mined copper in this country. To do that they manipulate affairs to produce a minimum of copper from American mines, because they make a greater profit out of copper produced from their foreign holdings.

The chief organized opposition to a tariff or embargo on foreign copper comes from the American Metal Co., of 61 Broadway, New York. This is a combination of the American Metal Co., of New Mexico, the American Zinc & Chemical Co., the Blackwell Zinc Co., the American Metal Co., of Canada, and the Compania Minera de Pinos. The latter subsidiary is a Mexican concern, and owns thousands of acres in the sub Rio Grande Republic with smelters at Porreón and Monterrey.

Officers are Ludwig Vogelstein, chairman; Otto Sussman, president; H. K. Hochschild, vice president and secretary; Heath Steel, B. N. Zimmer, vice presidents; W. H. Brady, treasurer; E. H. Hothorn, assistant secretary; Norman Hickman, assistant treasurer; Walter Hochschild, assistant to chairman; John MacLetchie, auditor.

The present tariff on copper of 4 cents a pound is but a drop in the bucket compared with the differential in the cost of production between slave or pauper labor and labor which maintains the American standard of living.

As an evidence of the effect on the American copper industry of this condition, it is estimated by copper men that only 18 percent of the amount of copper which was produced in 1928 is being produced in 1934.

The extent to which the American copper industry has been hit is shown by production figures in the United States Statistical Abstract for 1929. In 1928 Arizona produced 785,632,000 pounds of copper, Utah 298,375,000, and Montana 251,046,000. The smaller copper-producing States of Michigan, Nevada, New Mexico, Tennessee, Colorado, Idaho, and Washington produced between them 461,382,000 pounds.

The N.R.A. program now being carried out in this country by the present administration has for its avowed purpose two main objectives: (1) To increase wages, (2) to increase prices so that increased wages may be paid.

As the leaders of the present administration delve deeper into the N.R.A. problem, the more apparent it becomes to them that tariffs cannot be lowered at the same time this N.R.A. program is being successfully carried out. And do not forget that President Roosevelt has the authority to increase tariffs 50 percent or he

may declare an embargo on the importation of any foreign product that enters into competition with a home product.

Thus it is entirely possible for the President to stop the importation of copper after recommendations have been made by governmental agencies, regardless of whether Congress raises the tariff on copper or not. In this connection it may be noted that after recommendations have been made by the United States Tariff Commission, the tariff has been raised on tuna fish and sardines, not to speak of bobwhite quail.

If a tariff increase on tuna fish and sardines, a small industry, is worthy of the attention of the Tariff Commission, it would not stretch the imagination of any of its members to comprehend that the raising of the tariff on copper, one of the major industries of the country, would do many times more good. In fact, it would put back to work more than half a million employees of the copper industry and save the American copper market.

Those opposed to a higher copper tariff or an embargo are constantly drawing this herring across the path of facts to deceive the citizens of this country: Very often some pseudoauthority in the copper industry—always someone representing the owners of foreign copper mines or fabricating plants in the United States—rises up and proclaims that all the copper now being imported into this country is brought here in bond for the sole purpose of being refined in our excellent refineries, and that after it is refined it will be exported.

That is not the truth. The facts are that this foreign copper is brought here in bond, and so also are all the other imported products on which this country levies a tariff. It is also true that this imported copper, after it is refined, may be stored in a bonded warehouse, just the same as any other imported product on which there is a tariff.

And it is also true that whenever the importers or owners of this stored copper pay the present small duty of 4 cents a pound on this copper stored in our bonded warehouses, then that copper may be taken out of such warehouse and sold on our market, just as any other duty-laden imported commodity may be taken out of our bonded warehouses and likewise sold on our market.

The facts are that from Canada alone the importation of copper ore and concentrates into the United States increased from 1,519 tons in March 1933 to 4,223 tons in August of this year, or nearly 300 percent. That imported Canadian copper is still in bonded warehouses in this country and may be sold on our market as fast as the 4-cent tariff on it is paid.

And remember that all the copper mined in Canada is a by-product of other more valuable metals mined at the same time from the same mines, such as nickel, aluminum, gold, and silver. And as a by-product any price it brings is just that much profit.

There is no way in which the copper mines of Arizona and those of the 13 other copper-producing States can be reopened and kept open, except by putting an embargo on all foreign-mined copper, or a higher tariff that will accomplish the same result so that no foreign copper may be imported into this country and later dumped from bonded warehouses upon our markets.

Under present conditions there will be such a large quantity of this imported copper that it can be taken out of bonded warehouses and sold in such a manner as to beat down the current market price of copper whenever that price rises somewhere near 9 cents a pound.

Yet that is what recently has been done and is being done now.

If we are to restore prosperity to Arizona, then our copper mines must resume their normal production. This will put thousands of men to work and lessen the heavy tax burden now borne by the agricultural, commercial, and other interests, as well as the small home owners.

In order to secure the early reopening of our copper mines the President should immediately declare an embargo on foreign copper in order that our people be given employment, and to revive for the Nation a great industry.

#### CORRESPONDENCE RELATIVE TO FOREIGN DEBTS

Mr. HARRISON. Mr. President, I ask that there may be incorporated in the RECORD the correspondence between the State Department, the French Government, and the British Government with reference to the foreign debt situation.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

TRANSLATION OF NOTE FROM THE FRENCH AMBASSADOR, M. ANDRÉ DE LABOULAYE, TO THE SECRETARY OF STATE, MR. CORDELL HULL, JUNE 12, 1934

EMBASSY OF THE FRENCH REPUBLIC IN THE UNITED STATES,  
Washington, June 12, 1934.

MR. SECRETARY: I have the honor to acknowledge the receipt of the letter which Your Excellency was pleased to address to me on May 26 transmitting a statement of the sums due by France to the United States on June 15, 1934, under the terms of the agreements of April 29, 1926, and July 6, 1931.

In compliance with instructions which I have just received, I have the honor to inform Your Excellency that as there has been no new development in regard to intergovernmental debts since the month of December 1932 the French Government is not in a position to resume on the 15th of the present month, the payments which, since December 15, 1932, it has found itself con-



strained to postpone as the result of the consequences of the moratorium of that year.

On this occasion my Government desires to reaffirm that it does not contest the validity of its debt and that it is still prepared to seek an agreement with the American Government in regard to that debt upon a basis which in existing circumstances may be acceptable to both countries.

The Government of the Republic hopes that such an agreement may be reached in the near future and it desires to reaffirm to the American Government the assurance that it will consider it a duty to neglect no opportunity which may arise to attain that result.

I take this occasion, Mr. Secretary, to renew the assurance of my highest consideration.

ANDRÉ DE LABOULAYE.

His Excellency the Honorable CORDELL HULL,  
Secretary of State of the United States, Washington, D.C.

NOTE BY THE SECRETARY OF STATE, MR. CORDELL HULL, TO THE BRITISH AMBASSADOR, SIR RONALD LINDSAY, JUNE 12, 1934.

DEPARTMENT OF STATE,  
Washington, June 12, 1934.

His Excellency the Honorable Sir RONALD LINDSAY,  
P.C., G.C.M.G., K.C.B., C.V.O.,  
British Ambassador.

EXCELLENCY: The observations contained in your note of June 4, 1934, concerning the indebtedness of His Majesty's Government to the United States have been studied with close attention.

This Government is sensible of the elements of the situation set forth by His Majesty's Government, the heavy war expenditures undertaken in its own behalf and in behalf of its Allies, the burden of taxation that has been borne by the British people, and the transfer difficulties that under certain circumstances may arise in the foreign exchanges. With certain observations, however, and the inferences drawn therefrom, I regret that the American Government is unable to concur and in three instances it feels that, for the purpose of record, it should make its own attitude clear.

First, His Majesty's Government states in effect that, unless payments were made in full in the sum of \$262,000,000, as set forth in the communication from the United States Treasury dated May 25, 1934, the United Kingdom would fall within the effects of the recent legislation mentioned in paragraph 7 of your note, so that the payment of this amount is regarded as the only alternative to suspension of all payment. The Attorney General has advised me that, in his opinion, the debtor governments which, under the ruling of his office of May 5, 1934, are not at present considered in default because of partial payments made on earlier installments would have to pay only the amount of the installment due June 15, 1934—for Great Britain \$85,670,765.05—in order to remain outside the scope of the act.

Second, in regard to the record cited by the British Government of its loans to its allies and the fact that His Majesty's Government has given up great sums due to it under those loan contracts, this Government must emphasize the complete independence between the aforementioned transactions and the debt contracted by His Majesty's Government to this Government. The British Government undertook to borrow under its own name and on its own credit standing, and repayment was not made contingent upon the fate of debts due to the British Government.

Third, this Government notes with disappointment the declaration of His Majesty's Government that "while suspending further payments until it becomes possible to discuss an ultimate settlement of intergovernmental war debts with a reasonable prospect of agreement, they have no intention of repudiating their obligations, and will be prepared to enter upon further discussion of the subject at any time when, in the opinion of the President, such discussion would be likely to produce results of value."

In effect, this Government reads the declaration of His Majesty's Government to mean that it will fail to meet any further payments on the debt due to the United States as evidenced by the settlement of June 19, 1923, until this Government shall first scale down this debt to an unascertained sum to which His Majesty's Government might be willing to accede. This declaration appears to represent insistence by His Majesty's Government that before it makes any payment whatsoever it must be assured of a settlement satisfactory to it and not necessarily in accordance with any accepted standards of payment or readjustment of the amounts due. The only indications before this Government of the extent to which His Majesty's Government has proposed to meet its obligations are the small fractions of the sums due mentioned by His Majesty's representative in the course of the discussions in the spring and autumn of last year referred to in your note of June 4. Adhering to the opinion so often expressed by the United States Government, a situation of this kind necessarily calls for the initiation of proposals by the debtor and not by the creditor.

Should His Majesty's government wish to put forward proposals for the resumption of payments, this Government would be glad to entertain and discuss them informally. For instance, no proposal has ever been presented to this Government looking toward payments in kind to an extent that might be found mutually practicable and agreeable. Any proposals of this or a similar character which promise mutual benefit will be carefully considered for eventual submission to the American Congress.

In conclusion, may I refer to the statement made by the President in his message to the Congress on June 1: "The American

people would not be disposed to place an impossible burden upon their debtors, but are, nevertheless, in a just position to ask that substantial sacrifices be made to meet these debts."

Accept, Excellency, the renewed assurances of my highest consideration.

CORDELL HULL.

TEXT OF NOTE DATED JUNE 4, 1934, FROM THE BRITISH AMBASSADOR TO THE SECRETARY OF STATE

BRITISH EMBASSY,  
Washington, D.C., June 4, 1934.

SIR: In their note of December 1, 1932, His Majesty's Government gave a full statement of the reasons which convinced them that the existing system of intergovernmental war debt obligations had broken down. They pointed out the difference between these war debt obligations and normal credit operations for development purposes; they showed the economic impossibility of making transfers on the scale required by these obligations and the disastrous effect which any further attempt to do so would have on trade and prices. They emphasized the sacrifices which the British Nation had made in this matter and the injustice of the difference between their funding settlement and those accorded to other debtors. They concluded that a revision of the existing settlements was essential in the interests of world revival and they urged that further payments should be postponed pending such a revision. Nothing that has since occurred has led His Majesty's Government in the United Kingdom to change the views they then expressed.

2. That the present settlement imposes upon the people of the United Kingdom a burden which is both unreasonable in itself and inequitable in relation to the treatment accorded to other countries may be clearly seen from the following figures.

In respect of the war advances totaling \$4,277,000,000, payments totaling \$2,025,000,000, have been made up to date by His Majesty's Government to the United States Government. Yet despite these payments the nominal amount of the debt still outstanding as at June 15, 1934, amounts to \$4,713,785,000.

Meanwhile, in respect of war advances totaling \$5,773,300,000 made by the United States Government to other European governments, aggregate payments made up to date amount to only \$678,500,000. Thus though the war advances to these other governments exceed by one-quarter the advances made to the United Kingdom, payments made by the United Kingdom amount to three times what the United States Government has received from those other powers.

On the other hand His Majesty's Government are creditors as well as debtors in respect of these intergovernmental obligations. While as stated above they borrowed \$4,277,000,000 from the United States, they themselves made war advances to the allied governments totaling £1,600,000,000 (\$7,800,000,000 at par). These loans were raised by His Majesty's Government from the people of the United Kingdom and the annual interest thereon, and eventually their capital repayment, must, in the absence of payments by debtor governments, be met out of the general taxation of their own people. In this respect the position of the United Kingdom is precisely similar to that of the United States; but whereas the United States have received very substantial payments against the domestic charges involved, His Majesty's Government have had to meet the domestic charges of their war loans to allied governments in full, as they have paid over to the United States Government all that they have received both from war debts and war reparations, and they have in addition paid nearly as much again out of their own resources.

If the United States feel the burden of their war advances of \$10,050,000,000, against which they have received \$2,703,000,000, how much heavier is the burden of the United Kingdom, which with one-third of the population of the United States has had to meet the full charges on its war advances of \$7,800,000,000 without any net receipts against these charges and has in addition made large payments out of its own resources on account of its war debt to the United States?

None the less, convinced that any resumption of payments on the past scale could not but intensify the world crisis and might provoke financial and economic chaos, His Majesty's Government have suspended their claims on their debtors in the hope that a general revision of these intergovernmental obligations may be effected in the interest of world recovery. But it would be impossible for them to contemplate a situation in which they would be called on to honor in full their war obligations to others while continuing to suspend all demands for payment of war obligations due to them.

3. The improvement which has taken place in the budgetary situation of the United Kingdom in no way invalidates this conclusion. This improvement is due entirely to unprecedented sacrifices made by the people of this country. Since the war they have been carrying a burden of indebtedness amounting to approximately £8,000,000,000 (\$40,000,000,000) or £178 (\$850) per head of their population, about one-fifth of which represents war loans made to allied governments. They have balanced their budgets and even realized a surplus by the painful process of reducing expenditure and increasing taxation.

For 15 years they have been paying taxation on a scale for which it would be hard to find a parallel elsewhere. During the whole of this period the burden of taxation has been higher in the United Kingdom, and for a considerable part of the period twice as high as in the United States, including all Federal, State, and local taxation. This taxation, amounting to close on one-quarter of the national income, has aggravated the depression



over a long period, and the necessity of maintaining an army of unemployed resulting from this depression has constituted a formidable problem to the national finances ever since the war ended. Yet in order to restore the national credit in 1931, the people of the United Kingdom accepted further and heavy increases in taxation, accompanied by rigorous control of expenditure, and cuts in salaries and allowances of all kinds; and despite all these measures the budget would have again shown a deficit last year had it not been possible to secure by the conversion operation carried through in 1932 a reduction in the rate of interest paid on a large proportion of the public debt. This reduction has enabled His Majesty's Government to remit a part of the emergency sacrifices imposed in 1931 and to restore part of the cuts on salaries and the whole cut in unemployment allowances, the continuance of which was imposing a severe strain on the national conscience. It would have been a gross act of social injustice to have denied this relief to the people of this country in order to pay war debts to the United States while suspending war debt payments due to the United Kingdom.

4. But although it is desirable that the internal budgetary position of this country should not be misunderstood, it is really irrelevant to the question of intergovernmental debt, the payment of which has to be related to the balance of trade and not to the volume of internal revenue. The revenues of the United Kingdom are sterling revenues, whereas the debt payments to America have to be made in dollars or in gold. In order to secure the means to pay, therefore, any sums available in sterling would have to be transferred across the exchange. The attempt to transfer amounts of this magnitude would as its immediate effect cause a sharp depreciation of sterling against the dollar, which as His Majesty's Government understand would not be consistent with the monetary policy of the United States Government. And in the long run such international transfers would be impossible without a radical alteration in the economic policies of the United States. Payment of debts implies the willingness of the creditor to accept goods and services sufficient to cover the debts due to him over and above the goods and services required to cover his exports, and to make it possible for the United States to receive payment of their claims, it would be necessary to effect a complete reversal of the existing favorable balance of trade between their country and the rest of the world. In the case of the United Kingdom the balance of trade is heavily unfavorable, and the balance of accounts is not such that His Majesty's Government could contemplate the transfer of any substantial sum across the exchange, unless it was compensated by equivalent receipts from the foreign debts of this country. If this were done sterling would not be affected by the payments to America, but the burden would be thrown on the currencies of the European debtor countries, thereby aggravating the present crisis, which it is the object of both the United States and His Majesty's Government to alleviate.

5. Thus the question of the British war debt is only a part of the wider question of intergovernmental obligations resulting from the World War. As has already been pointed out, the United Kingdom, while it was a debtor to the United States, was itself a creditor for larger amounts from France, Italy, and other Allied Powers in respect of war debts, and these in turn are creditors with the United Kingdom of Germany in respect of reparations. These intergovernmental debts, as stated in the British note of December 1, 1931, are radically different from commercial loans raised by foreign governments on the markets for productive purposes. War debts are neither productive nor self-liquidating, and the unnatural transfers required for their payment would involve a general collapse of normal international exchange and credit operations. The administration of the United States under President Hoover recognized this fact and initiated a moratorium on intergovernmental payments in 1931 in order to avert an immediate collapse. But the moratorium of 1931 caused another change in the situation; it made any resumption of the pre-existing reparation and war-debt settlements impossible, and the revision of reparations embodied in the Lausanne Agreement was made subject to conclusion of a subsequent agreement for a revision of war debts.

6. It was with these facts in mind that His Majesty's Government approached the United States Government in December 1932, and the United States Government in their note of December 7 welcomed their suggestion for a close examination between the two countries of the whole subject. After this exchange of notes His Majesty's Government paid the installment due on December 15, 1932, in gold, explaining that this payment was not to be regarded as a resumption of the annual payments contemplated by the existing agreement, and that it was made because there had not been time for discussion with regard to that agreement to take place, and because the United States Government had stated that in their opinion such a payment would greatly increase the prospects of a satisfactory approach to the whole problem.

In accordance with the arrangement then made, discussions took place first in the spring and later in the autumn of last year between representatives of the two countries, and His Majesty's Government appreciate the sympathetic manner in which their representatives were listened to. But on both occasions it was found impossible to arrive at a settlement acceptable to the two Governments in face of the unprecedented state of world economic and financial conditions. Accordingly the discussions were adjourned, and on June 15 and December 15, 1933, His Majesty's Government made token payments in acknowledgment of the debt

and the President expressed the personal view that he would not regard His Majesty's Government as in default.

7. In their note of November 6 last His Majesty's Government expressed their readiness to resume negotiations on the general question whenever, after consultation with the President, it might appear that this could usefully be done, and His Majesty's Government is glad to note that the President in his message to Congress on June 1 has again stated that each of the debtor governments concerned has full and free opportunity to discuss this problem with the Government of the United States. But unfortunately recent events have shown that discussions on the whole question with a view to a final settlement cannot at present usefully be renewed. In these circumstances His Majesty's Government would have been quite prepared to make a further payment on June 15 in acknowledgment of the debt and without prejudice to their right again to present the case of its readjustment, on the assumption that they would again have received the President's declaration that he would not consider them in default. They understand, however, that in consequence of recent legislation no such declaration would now be possible, and, if this be the case, the procedure adopted by common agreement in 1933 is no longer practicable.

8. His Majesty's Government are in fact faced with a choice between only two alternatives, viz., to pay in full the sum of \$262,000,000 as set forth in the communication from the United States Treasury, dated May 25, or to suspend all interim payments pending a final revision of the settlement, which has been delayed by events beyond the control of the two Governments. Deeply as they regret the circumstances which have forced them to take such a decision, His Majesty's Government feel that they could not assume the responsibility of adopting a course which would revive the whole system of inter-governmental war-debt payments.

As already pointed out the resumption of full payments to the United States would necessitate a corresponding demand by His Majesty's Government from their own war debtors. It would be a recreation of the conditions which existed prior to the world crisis and were in a large measure responsible for it. Such procedure would throw a bombshell into the European arena which would have financial and economic repercussions over all five continents and would postpone indefinitely the chances of world recovery.

9. Accordingly His Majesty's Government are reluctantly compelled to take the only other course open to them. But they wish to reiterate that, while suspending further payments until it becomes possible to discuss an ultimate settlement of intergovernmental war debts with a reasonable prospect of agreement, they have no intention of repudiating their obligations, and will be prepared to enter upon further discussion of the subject at any time when in the opinion of the President such discussion would be likely to produce results of value.

I have the honor to be,

With the highest consideration, sir, your most obedient,  
humble servant,

R. C. LINDSAY,

The Honorable CORDELL HULL,

Secretary of State of the United States, Washington, D.C.

#### THE SQUARE DEAL—ADDRESS BY SENATOR REED

Mr. HEBERT. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by the Senator from Pennsylvania [Mr. REED] on May 14, on the subject of The Square Deal.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### THE SQUARE DEAL

We have heard much in recent days about the old deal and much about the new deal. I want to speak to you for a few minutes about the square deal.

I have always regarded Theodore Roosevelt as one of our greatest Presidents. As a young man, he was to me something of a political idol. I was 17 years old when he organized the Rough Riders and started for the Caribbean. I was 20 when he first became President, upon the death of President McKinley. I first became active in politics in what has come to be known as the "Roosevelt era." Theodore Roosevelt, with his buoyancy, his fighting spirit, his idealism, was inevitably the idol of the young men of that day. It was natural that, along with others of my own age, I should have been influenced by the gospel which he preached, as well as by his personal example as a brave, clean citizen, a leader of men, and one who stood stanchly by the things in which he believed.

Later, as he reached the full peak of his powers, and as I in turn matured and began to take a serious interest in public affairs, my admiration of Theodore Roosevelt, the man, increased rather than diminished.

In thinking back I am sure that it was his strong sense of social justice, his habit of fighting for the under dog, which captured my enthusiasm and left me with the lasting impression that among all our Presidents, with their varied qualities of greatness, here was one who consistently fought for those things which he thought were right—for the square deal for every man. In doing so he exhibited a blend of warm human sympathy with hard-headed common sense rarely found in men who are known as reformers.



There have been other crusaders before and since; other reformers, other idealists, with a lofty vision of things as they ought to be. It was part of Theodore Roosevelt's greatness that he was able to look at things as they are, to accept humanity as he found it, and accepting the facts of human nature, do what he could to see that the strong did not trample the weak, and to introduce into politics a breath of fresh air which is sadly needed.

In thinking of politics of today, of governmental trends, of policies, and of slogans, I am beginning to believe that what the country needs is a new vision of the square deal; a new birth of practical idealism, in which ideals will be tested by sound common sense. There is much about what has come to be known as the "old deal" that I do not like. There is a great deal about the new deal which I know is wrong in principle, unsound in practice, and dangerous in the hands of inexperienced experimenters. If we can take what we know to be sound from the old deal and add to it what we have found to be worthy in the new deal, and with common courage go forward toward the goal of the square deal, in which each of us will think a little more of the other fellow and a little less of himself, and try a little harder to act unselfishly for the common good of the country as a whole, we shall have set the United States on the high road to a destiny greater than it has known.

All right, you say, but these are generalities. I grant you that they are. I am laying down a set of principles. We have thought and talked too much in terms of statistics. Statistics are important, but no nation was ever founded or saved by a statistical chart. The thing that matters is not how many hogs were slaughtered to raise the price of hogs, but that any hogs should be slaughtered and their carcasses destroyed while people are hungry. The thing which should concern us is not the exact number of unemployed as the fact that there are any unemployed and any who are in want in a country so rich as ours. Thinking in these terms, it is principles which count. So tonight, instead of talking, as I so often do, about the details of the tariff, or the processing taxes, or the billions of dollars given to the professors to spend on new experiments, I want to talk to you about some of the things which I think are wrong with us, and what ought to be done about it.

In the first place, I wonder sometimes whether we are not losing something of the strength of character which led our ancestors to leave their homes in Europe and come here to build a new home in a new country. I wonder whether we are not becoming soft. With a little thought we should see for ourselves that the real cure for our troubles is, as it always has been, hard work, self-denial, intelligent initiative, competition, recognition of the rights of others, and that sense of brotherhood which makes us willing always to feed and clothe the unfortunate, and to help the other fellow.

We have seen developing again a sectional spirit, a selfish spirit, which can never serve as a satisfactory foundation for national happiness. We have got to look inward less and outward more. Pennsylvania has got to think of Iowa and Iowa has got to think of Pennsylvania. We both have to think of Texas, and Texas has to remember that her markets are in the other States. Some States, like California, more self-contained than the rest, seem to get along pretty well by themselves, uninfluenced to the same extent as other States by the general business trend. But even California, self-contained though it is, is a part of the country as much as Massachusetts. We are all neighbors, after all, brought closer together each day by the speeding up of transportation and the interchange of ideas.

That means, of course, that all of us will have to think more and more as time goes on, not of Pennsylvania or Texas or Iowa or of California alone, but of the United States. For in the end the fate that overtakes the United States will overtake each State. We will stand or fall together.

I do not like the processing taxes of the new deal, for I know that they are unfair to the East, that they have placed an additional burden on the city dweller of small income who is least able to bear it, and that they will prove in the end to be a burden also on the farmer, and to hurt him because they will further lower the buying power of his city customers. You farmers who are listening to me tonight know that the farmers cannot prosper unless the cities prosper, and you city people who are listening know that the cities cannot prosper unless the farmers also prosper and are able to buy your goods. One trouble with us is that most of us seem to be trying to get all we can out of the rest of us, without realizing that the effect of uneven distribution, or of unequal taxation, is to injure all of us.

I do not like to see labor and capital engaged in a continuous clash. Capital should know that those who labor are those who buy, and labor should realize that unless capital is permitted to make a reasonable profit, there can be no industry on a large scale.

I see often, in riding the train between Washington and Philadelphia, great factory buildings standing empty and idle, their windows broken, awaiting orders that never come, giving employment to no one—gone the way of those who fall to survive in the struggle for existence. I see working on the roads, men who were formerly employed in those factories. It may be that the factory owner and the factory labor were both responsible in part for this state of affairs. I do not know. But I do know that if the United States is to survive in the struggle with other nations, most of which have been launched since the war on a new program of industrial growth, we must begin to think of pulling together more and fighting less among ourselves.

What will it profit the capitalist if in fighting for an excessive profit he loses all his business? And what will it profit labor if

it wins all of its battles only to find that no one can make a profit and that people cannot buy?

Machinery is being invented every day to take the place of human labor. The men formerly employed in a glass factory in my own State of Pennsylvania begged me recently to vote for a tax on glass-making machines. If to do so would have helped them, I should gladly have voted as they asked. Instead, I was compelled to remind them that the same kind of glassware is made on the same kind of machines in European countries, and that if our machines are taxed and Europe's machines are not, even the men who run the machines in this country would be thrown out of work.

We provide a tariff law taxing foreign manufactures to protect American labor engaged in making similar products. We have greatly restricted immigration with the same end in view—to protect our own people in their work. We have in the United States the greatest self-contained empire in the world. Under normal conditions there is a wider diffusion of work and of wealth in the United States than in any other country. If we can prevent our tariff and immigration bars from being broken down in the interest of European and oriental immigrants and of European and oriental goods, we will be able to work out our problems and get back on our feet. I do not like those policies of the new deal which threaten to weaken these two defenses against the attacks of foreign competitors and against the invasion of the United States by multitudes of immigrants with lower living standards than ours, each one of whom, if allowed to enter, would take the work or the business of some Americans. In speaking of the square deal I am thinking of our own people. The idealist may say it is not fair to the Chinese to keep them out of the United States. My answer to that is that it is not fair to the American people to let them in. I am trying to think as an American, and not as a Chinese.

I do not like the tendency so apparent in the policies of the professors to bring all industry and all labor, including agriculture, under the control of the Washington Government. I do not think Americans have lost entirely the love of liberty they inherited from their forebears.

I do not want them to lose the feeling of freedom, which would surely be lost if we let the Government tell us, as the Soviet Government tells the people of Russia, what work to do, where to do it, what to wear, what to eat, and what to think. I prefer to choose my own food and my own clothes, to work at the thing I like best, and to do my own thinking. I believe most Americans feel as I do. We are a free people, and we must remain free. I am sure that we will. I am sure that the American people will reject those policies and repudiate those leaders who seek to take away that freedom.

Badly off as we are, let no one tell you that conditions are better elsewhere. It is still something to be an American, as in ancient days it was something to be a citizen of Rome.

There is still more of opportunity in the United States than anywhere else in the world.

There is more to be achieved in the United States than in any other country.

There are greater material rewards awaiting the man or woman who can find the key to unlock them.

There is a greater sense of justice, of humanity, of freedom, than in any other country.

There were abuses under the old deal which require correction. They are being corrected.

There are abuses under the new deal which require correction. They will be corrected.

If we can strike a balance between the common sense of the old deal and the impractical theories of the new deal we will have rediscovered, as we must rediscover regularly in a changing civilization, the practical idealism of the square deal.

I would go neither to the left, in the direction of communism, nor to the right, in the direction of fascism. I do not want the United States ruled by a commissar, nor do I want it ruled by a Hitler or a Mussolini. I am against proletarian dictatorship no less than I am against capitalist dictatorship. A square deal for all the people is to be found only under a government in which all the people participate. Somewhere between the old deal and the new deal. I am satisfied that we Americans, if we dedicate ourselves to the task, will find again the square deal.

#### THE NEW ERA—ADDRESS BY JAMES A. FARLEY

Mr. COOLIDGE. Mr. President, I ask permission to have printed in the RECORD an address by the Honorable James A. Farley, chairman of the Democratic National Committee, delivered today, Thursday, June 14, 1934, before the Democratic Preprimary Convention at Worcester, Mass.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, Governor, ladies and gentlemen, fellow Democrats, I am delighted to be here in Massachusetts again. It is the first time I have had an opportunity to visit a strictly party group here since the election of 1932, and to thank in person the virile, vigorous, far-seeing, and loyal Democracy of this State who helped to make possible the election of President Franklin D. Roosevelt. It is a matter of great happiness to me to be here with you, and to tell you how much we in Washington respect the statesmanship, how much we appreciate the loyalty, how much we feel indebted for the service of your senior Senator, the Honorable DAVID I. WALSH. He is an able and conscientious servant of the people of



this great State and of the Nation. I hope that his services will long be given to the Nation with pride by the voters of this great American Commonwealth. To your junior Senators, the Honorable MARCUS I. COOLIDGE, I desire also to pay my tribute, and to the Members of Congress whom you have sent to the National Capitol with the solution of your legislative problems.

We are standing today on a threshold of a new day—a new day for the people. That new day was enunciated boldly and clearly last Friday when in Washington a great message of hope and faith was transmitted to the Congress of the United States by one of the greatest liberal leaders of all history—our own President Franklin D. Roosevelt. I refer to his message on the subject of social insurance, land utilization, and housing, a threefold program for the future—a goal toward which, under his courageous leadership this great liberal party can now set its course.

Here we have a stirring pronouncement—a banner unfurled to the cause of the average man and the average woman behind which all can march in solid phalanx to battle for the good of all.

Never before in our history has there been such wholesome promise for the American people. And the next Congress of the United States will successfully achieve the consummation of this three-point program, I am sure.

I do not consider it necessary to review the vivid pageant of performance of this administration since President Roosevelt took office on March 4, 1933. I do not consider it a part of my task to recite the various phases of the recovery program that lifted this Nation from its knees and brought it, right about, almost in the twinkling of an eye, to its feet, straight and erect, facing bravely and fearlessly the rising sun of a new deal.

It is ground-hog day for critics of the new deal. They come out of their holes to see a world still functioning, a sun still shining—their little eyes blinking in amazement. These fault-finding critics, dumb in terror a little over a year ago, are now summoning courage to speak out.

Business is improving, agriculture slowly is reviving, confidence is returning, millions of jobless men are marching back to work, and just as we begin to strike our stride on the march to full economic recovery we behold some old familiar figures in the road urging us to go back.

Who are those solemn-faced gentlemen who warn us against the path of progress? They need no introduction, for they were notorious enough as the directing brains of the Hoover period of suicide and soup.

There, warning us against Rooseveltian progress, are the Mellons, the Milles, and the Watsons; the Wadsworths, the Fesses, and the Reeds; the Hales, the Wolcotts, and the Austins; and all the rest of their reactionary cohorts. I count them the blackest reactionary group in the service of privilege in all the land today.

They are the old guard of the old gang, and they have a past. In the closet of every mother's son of them is the skeleton of his record as an adviser of Mr. Hoover during the 4 years these most-superior gentlemen were engaged in the elimination of poverty and in putting two chickens in every pot.

With 4 years of the dreadful ruin behind them, and because of them, these critics now assume the pose of men who alone know what should be done today. Haven't we then a right to recall the condition of our country when government was directed by their collective and separate wisdom?

There is scarcely a single family between the seas that does not bear the scars of the suffering it underwent from 1929 until these critics passed from power.

And when the financial structure of the Nation was tottering, when industry was languishing, when agriculture was in bankruptcy, when 14,000,000 breadwinners were denied their right to work, what had those pretentious and impertinent prophets and spokesmen of Hooverism to propose.

Where was their wisdom then?

I appeal now from the sophistry and quackery of these false prophets to the record of the ruin of their four long despairing years of power.

You will remember the wildest and most greedy market speculation since the historic days of the Mississippi bubble. You will recall that powerful banks, custodians of people's hard-earned money, were so busy with speculation that they had no money to loan for legitimate business enterprise. You have not forgotten how that quack prosperity on paper, in which a few grew rich on the credulity of the many, was held forth as a proof of the capacity of these critics to rule. You must remember that instead of seeking to moderate the madness the Government, dominated by these critics, gave every possible encouragement to the debauch by issuing officially false and misleading statements; and you will remember the inevitable crash—for the page of history that records that tragedy will ever remain one of the blackest in our story.

You will remember—for you cannot forget such things in 18 months—the resulting crash of banks, crushing the hopes of millions whose life savings were thus swept away.

But, if you forget, the historian relentlessly will write of the effect of the blind and stupid policy that raised walls against foreign trade until market after market across the seas was closed to the product of our factories and fields; with ships left idle or operating at a colossal loss; with factories reducing their production in proportion to the loss of trade; with millions of industrial workers thrown into the street to exist on the crumbs of private charity or to starve.

And in those days of despairful misery in this land of plenty, what single intelligent plan did the Milles, the Mellons, the Watsons, the Wadsworths, the Fesses, or the Reeds, the Austins, the

Wolcotts, or the Hales, or any of the minor figures in the mockery of present-day criticism, advance to meet the gravest crisis we have ever known?

I challenge contradiction—they did not advance a single idea. They were wells without water, and cupboards without bread.

That is the reason, as you must vividly recall, that the most plaintive and persistent cry that rose from every quarter and every class was a call for leadership, and there was no answer from these pompous critics but the echo of that tragic cry.

Let me stir your memory again. Is it not true that this old guard of the old gang that now urges you back to the sterile days of Hooverism, sat dazed by the magnitude of the ruin their lack of policy had wrought, silent in their fear, twirling their thumbs, in the nervous apprehension of their utter helplessness?

Isn't it true that not one of them from Mellon and Mills down to Dave Reed and Jim Watson had the initiative or the courage to propose a plan, nor the honesty to concede their blunders? They sat in a state of moral inertia and mental paralysis, hoping against hope for something to turn up?

Isn't that your recollection of those halcyon days to which these impudent critics would invite you back?

But in justice to their mentality I sometimes wonder if they were as dumb as they seemed. I have sometimes thought that through their policies they had built up a system of privilege through which a small group waxed wealthy while the average man lost his birthright; and rather than correct the wrongs on which they thrived, they preferred to stand pat, in the desperate hope that the storm would pass, and with the system of privilege intact, the exploitation of the millions might go on.

At any rate, as you well know, the Mellons, the Mills, the Wadsworths, the Reeds, the Watsons, and the rest of them, when leadership was needed, had but one idea—stand pat! They could not even rise to the dignity of the corner medicine peddler, for the time came when they were ashamed to bank their cheap and tawdry wares.

And so they stood pat month by month throughout those tragic years, and you will remember how the army of the unemployed increased; how the bank failures constantly accelerated; how the bankruptcies of merchants multiplied; how hard-earned homes were swept away; how month by month more factory wheels stopped turning; how day by day the farmers were dispossessed; and how week by week, the line of the jobless lengthened, until the period of the leadership of those critics of Roosevelt came to be known as the period of starvation, suicide, and soup.

Who can forget that?

Remember, too, that as the gloom deepened into darkness, without one single voice of intelligent leadership raised to calm the all too legitimate fears of men, the entire Nation from banker to day laborer gave way to panic and despair.

And so you voted these "wise" men out of power—

Because you were tired of their selfishness.

Because you were tired of their blundering and bungling.

Because you were sick of their misrepresentations of conditions.

Because you were through with their thumb twirling, waiting, and watching for something to turn up.

Because under the inept leadership of the Mellons, the Mills, the Watsons, the Wadsworths, the Vandenberges, the Austins, the Reeds, the Wolcotts, the Hales—a leadership stationary as a lamppost and as impervious to new ideas—we were moving at an accelerated speed toward utter ruin.

And remember this—you cannot possibly have forgotten—when these discredited leaders passed from power they left the Nation in dire danger of the most colossal financial catastrophe in human history.

And now for a moment let us leave these critics of Roosevelt croaking and recall the last 2 days of the regime for the return of which they have the audacity to ask.

Never had America sunk so low in despondency and despair as it was on the eve of the inauguration of Franklin D. Roosevelt. The Nation was set for tragedy. The financial structure of the country seemed trembling to its fall.

Saturday noon Franklin D. Roosevelt had this appalling problem dumped into his lap by this selfish band of critics of today; Sunday found him grappling with the problem; and on Monday morning the country thrilled to the drastic courageous measure that he took to prevent a financial wreck.

And when, for the first time in 4 years, Americans heard the clear, strong voice of command at the head of the column, they took heart, lifted up their heads, and thanked God that at last they heard the confident voice of courageous, constructive, and honest leadership.

Isn't that true?

Not much more than a year has passed, and what has the harvest been?

In the tremendous task of saving our civilization and institutions mistakes inevitably will occur, for man is mortal; but Roosevelt, with an open mind, can be counted on to correct them if he finds them. But one fact no one denies—business is on the upgrade again; and the engineers of ruin, the Milles, the Mellons, the Wadsworths, the Watsons, the Vandenberges, the Austins, the Wolcotts, and the Hales and the Reeds have the insolence to warn you against the peril of improvement.

Now that the old guard of the old gang is out of power confidence has been restored. Who denies that now?

The depositors in the banks feel safe; for by his reforms, unpardonably neglected for many years, Roosevelt has made banks safe.

The crooked speculations of banking institutions have been ended—and Roosevelt has ended them.

Millions of jobless men are again employed—and Roosevelt's robust policies have put them back to work.

Cutthroat competition is controlled—and Roosevelt, in the interest of legitimate business, has controlled it.

The earnings of agriculture have increased, the shadow is slowly lifting from the farm—and Roosevelt's policies have put new heart into the tillers of the soil.

Yes; industry and commerce, plunging downward under the rule of the old guard of the old gang that criticizes now, is now climbing upward—and the new deal of Roosevelt has wrought the miracle.

More jobs, more wages, more earnings on legitimate investments, more confidence, more hope, more courage under Roosevelt; and, lo from the tomb a dismal sound—the impudent invitation of the Mellons, the Mills, the Wadsworths, the Reeds, the Vandenberges, and the Watsons that we turn our backs on the rising sun and march with them back into the black caves where we dwelt in hopeless misery through 4 never-to-be-forgotten years.

Do you remember—you must remember—how the silly Pollyanna assurances that conditions were improving when the blind could see that they were growing worse, finally were greeted with cries of derision? And how the quack promise reiterated constantly as the night grew darker that prosperity was "just around the corner", was hooted into silence?

Such was the leadership to which you are invited to renew allegiance—a leadership too blind to see, too ossified mentally to think, too paralyzed to act, too weak and fearful to face and tell the truth.

Isn't that your recollection?

What suits you best—Hoover misery and disaster or Rooseveltian progress and hope?

Which would you prefer—to stand pat with these reactionaries for privilege for a few, or to move forward with Roosevelt to a sounder and more equitable prosperity than we have ever had before?

Where do you stand—with the dead past or the living present and the glowing future?

Are you ready for the question?

#### PARTICIPATION BY UNITED STATES MARINE BAND IN VARIOUS REUNIONS

Mr. REYNOLDS. Mr. President, I ask unanimous consent that the vote by which the bill (H.R. 9145) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Richester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, was ordered to a third reading and passed be reconsidered so that I may offer an amendment.

Mr. ROBINSON of Arkansas. Mr. President, what is the status of the bill?

The VICE PRESIDENT. The bill was passed on yesterday.

Mr. ROBINSON of Arkansas. Has it gone to the House of Representatives?

The VICE PRESIDENT. It is still in the Senate.

Mr. ROBINSON of Arkansas. Very well. I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Carolina? The Chair hears none, and the vote by which the bill was ordered to a third reading and passed is reconsidered.

Mr. REYNOLDS. Mr. President, I offer the following amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 1, after the amendment on line 7, to add the words "and the annual convention of the Thirtieth Division of the American Expeditionary Forces, to be held at Asheville, N.C., on September 28, 29, and 30, 1934."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the second amendment offered by the Senator from North Carolina.

The CHIEF CLERK. In the second section, after the word "encampments", to insert the words "and conventions",

and to strike out "\$7,700" and to insert in lieu thereof "\$11,000."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July, and at the annual convention of the Thirtieth Division of the American Expeditionary Forces, to be held at Asheville, N.C., on September 28, 29, and 30, 1934."

#### PAYMENTS UNDER SETTLEMENT OF WAR CLAIMS' ACT—CONFERENCE REPORT

Mr. KING submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J.Res. 325) extending for 2 years the time within which American claimants may make application for payment under the Settlement of War Claims Act of 1928 of awards of the Mixed Claims Commission and the Tripartite Claims Commission and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment under the Settlement of War Claims Act of 1928 of awards of the War Claims Arbitrator having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1, and the Senate recede from its amendment to the title.

That the House recede from its disagreement to the amendment of the Senate numbered 2 with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment, and on page 2, lines 4 and 5, of the House joint resolution, strike out "paragraph (h) of subsection (2)" and insert "subsection (h)"; and the Senate agree to the same.

WILLIAM H. KING,  
WALTER F. GEORGE,  
JAMES COUZENS,

*Managers on the part of the Senate.*

R. L. DOUGHTON,  
SAM. B. HILL,  
THOS. H. CULLEN,  
ALLEN T. TREADWAY,  
ISAAC BACHARACH,

*Managers on the part of the House.*

Mr. KING. Mr. President, I move that the Senate proceed to the consideration of the conference report.

The motion was agreed to.

Mr. KING. I move that the conference report be agreed to.

The motion was agreed to.

#### CONTROL OF COTTON PRODUCTION

Mr. HAYDEN. Mr. President, I move that the Senate Committee on Agriculture and Forestry be discharged from the further consideration of the joint resolution (S.J.Res. 138) to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934.

Mr. President, when the Bankhead cotton-control bill was under consideration by the Senate the Senator from California [Mr. JOHNSON] offered an amendment, which was agreed to, fixing the quota of that State at 200,000 bales. I also offered an amendment, which was agreed to, affecting cotton having a staple of 1½ inches or longer. Both amend-



ments have been misinterpreted by the Department of Agriculture, to the detriment of our two States.

The author of the bill, the Senator from Alabama [Mr. BANKHEAD], and the coauthor of the bill, who is a Member of the House of Representatives, have both agreed that this joint resolution should be enacted, so as to carry out the original intent of the Cotton Control Act.

The joint resolution was drafted in the Department of Agriculture and is endorsed by the Secretary of Agriculture. I ask that it be read.

The PRESIDING OFFICER. Without objection, the joint resolution will be read.

The joint resolution was read, as follows:

*Resolved, etc., That the act entitled "An act to place the cotton industry on a sound financial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934, is hereby amended by adding at the end thereof the following new section:*

"Sec. 25. (a) No tax-exemption certificates shall be issued to any person not engaged in production of cotton in the crop year during which such certificates are issued.

"(b) Whenever after apportionment under sections 7 and 8 any surplus number of bales remain of the amount allotted to any county under section 5 (b) such surplus bales shall be allotted, in such quantities as the Secretary of Agriculture determines, to such other counties within the State as the Secretary of Agriculture determines have an insufficient allotment. Said bales shall be apportioned, pursuant to sections 7 and 8, within the respective counties to which allotted, but in no case shall any farm receive any of such allotment so as to receive a total allotment in excess of its estimated production for the crop year in which such allotment is made.

"(c) In computing the production of any State pursuant to section 5 (a) the total production of cotton for such State in the 5-year period 1928-32, inclusive, shall be used regardless of the length of staple of such production."

Mr. KING. Mr. President, because there was objection to the cotton-control bill when it was pending in the Senate, I ask the Senator whether this joint resolution clarifies the bill?

Mr. HAYDEN. It does.

Mr. FESS. Mr. President, I think I shall have to call for the regular order, unless this is very important.

Mr. HAYDEN. Mr. President, the joint resolution is thoroughly understood, and it is agreeable to the Chairman of the Committee on Agriculture and Forestry that the committee be discharged from the further consideration of the joint resolution.

Mr. FESS. Very well. Let it be acted on.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona that the Committee on Agriculture and Forestry be discharged from the further consideration of the joint resolution.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask now that the Senate proceed to the consideration of the joint resolution.

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to be engrossed for a third reading, read the third time, and passed.

W. W. BRUNSWICK

Mr. COPELAND. Mr. President, several years ago I introduced into the RECORD certain material which was thought to be a criticism of Mr. W. W. Brunswick, recently of the American Consular Service. I have received a letter from Mr. Huston Thompson, which he has requested me to have printed in the RECORD. In view of the fact that this is a reply to material which I put into the RECORD, which might be deemed a criticism of Mr. Brunswick, I am very happy indeed to ask consent of the Senate to insert the letter in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., May 24, 1934.

HON. ROYAL S. COPELAND,  
United States Senate, Washington, D.C.

MY DEAR SENATOR: This letter is in response to a recent interview had with you by Mr. W. W. Brunswick, recently of the American Consular Service, in which you suggested a method of

procedure relative to correcting the effect of certain damaging statements that had been made against Mr. Brunswick and inserted in the CONGRESSIONAL RECORD.

Pursuant to his official duty, on April 29, 1931, Mr. Brunswick, our consul in Barbados, British West Indies, made a confidential world-trade directory report to the Department of State touching on the general business reputation of one Victor Parravicino, a resident of the Barbados, engaged at the time in the commission business, the operation of a hotel and bar, and other enterprises. Parravicino obtained a copy of Mr. Brunswick's report and instituted suit in the Supreme Court of the District of Columbia against Mr. Brunswick and the surety on his bond. While this suit was pending there was published in the CONGRESSIONAL RECORD on January 19, 1933, certain printed and written matter, to which, under all the rules of fairness, Mr. Brunswick should have been entitled to reply. No reply was made at the time for the reason that Mr. Brunswick believed the litigation should be tried in the courts only.

The case came on for hearing in the Supreme Court of the District of Columbia and was thrown out on the pleadings. It was then appealed by Mr. Parravicino to the Court of Appeals of the District of Columbia, and on February 5, 1934, this court after a hearing handed down an opinion affirming the judgment of the lower court and sent the case back for dismissal. Inasmuch as the matter published in the CONGRESSIONAL RECORD reflected seriously on the character of Mr. Brunswick and his honesty of purpose, and in view of the fact that the action of the courts in dismissing the suit is a complete vindication of Mr. Brunswick, I am making the request that if it is possible you will have this statement published in the RECORD. This is only fair in view of the fact that the charges of Mr. Parravicino disrupted a consular career of 25 years of honest and faithful service.

Among the matters published in the CONGRESSIONAL RECORD on January 19, 1933, was a World Trade Directory Report, by J. C. Dorr, the consular successor of Mr. Brunswick in the Barbados, which report was accepted without question by the Department and placed on file in the State and Commerce Departments. We have made an investigation of this report, and do not hesitate to say that it was filled with gross inaccuracies. The worst feature about it was that it was used as a basis for a complaint before the Department against Mr. Brunswick. The fact is that Mr. Brunswick's report was a very fair statement, while the Dorr report showed partiality and unfairness.

The result of all this action against Mr. Brunswick was that charges were brought against him before the personnel board of the State Department, and he was finally offered the alternative of being discharged or being retired on a very small pension after a physical examination. On my advice, because the litigation was not then settled, he accepted the latter way out. As a result of all of this unfair action against Mr. Brunswick, he has suffered in mind and body and has had a heavy loss financially.

I may say that, together with other attorneys, I have represented Mr. Brunswick in this matter without any retainer or any consideration whatsoever, and solely for the reason that his case appealed to me so strongly and I felt he had been so outrageously treated. As one of the steps in remedying the injustice done to him I am asking that, if possible, this statement may be incorporated in the CONGRESSIONAL RECORD as in part a corrective of the serious charges that were made against him in the aforesaid article that appeared in the RECORD in 1933.

Cordially yours,

HUSTON THOMPSON.

#### DISTRICT LIFE-INSURANCE CODE

Mr. WAGNER obtained the floor.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. WAGNER. I yield.

Mr. KING. Mr. President, I desire to ask a very great favor of the Senate.

For a number of years we have been very much interested, in the District of Columbia, in having enacted a suitable bill dealing with life-insurance companies, and, failing to get such a measure, many frauds have been committed on stockholders in some of the corporations and those who had insurance policies have been robbed.

Several years have been spent by competent lawyers and competent insurance representatives of the District of Columbia, and they have drafted a measure which meets all objections and meets the desires and wishes of the insurance commission of the District and of the District Commissioners. It passed the House practically unanimously, and it was given great attention by Representative HARLAN, who spent many months in the consideration of the bill. The District Committee yesterday unanimously recommended the passage of the bill.

Mr. FESS. Mr. President, I shall not object to this, but I will object to anything else until we get on with the bill which is the unfinished business.

Mr. KING. The only reason why I am so anxious about this is that it is a long bill and will have to be engrossed.

The VICE PRESIDENT. The Chair has recognized the Senator from New York. The Chair understands that the Senator from New York yielded to the Senator from Utah for the purpose of asking unanimous consent for the consideration of a bill.

Mr. KING. Yes.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. Mr. President, when was the bill reported?

Mr. KING. It was reported today.

Mr. LA FOLLETTE. Will not the Senator let it go over until tomorrow morning?

Mr. KING. I shall have to do so.

PROTECTION OF TRADE AND COMMERCE AGAINST INTERFERENCE BY VIOLENCE, THREATS, ETC.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2248) to protect trade and commerce against interference by violence, threats, coercion, or intimidation, which was to strike out all after the enacting clause and insert:

That the term "trade or commerce", as used herein, is defined to mean trade or commerce between any States, with foreign nations, in the District of Columbia, in any Territory of the United States, between any such Territory or the District of Columbia and any State or other Territory, and all other trade or commerce over which the United States has constitutional jurisdiction.

Sec. 2. Any person who, in connection with or in relation to any act in any way or in any degree affecting trade or commerce or any article or commodity moving or about to move in trade or commerce—

(a) Obtains or attempts to obtain, by the use of or attempt to use or threat to use force, violence, or coercion, the payment of money or other valuable considerations, or the purchase or rental of property or protective services, not including, however, the payment of wages by a bona fide employer to a bona fide employee; or

(b) Obtains the property of another, with his consent, induced by wrongful use of force or fear, or under color of official right; or

(c) Commits or threatens to commit an act of physical violence or physical injury to a person or property in furtherance of a plan or purpose to violate sections (a) or (b); or

(d) Conspires or acts concertedly with any other person or persons to commit any of the foregoing acts; shall, upon conviction thereof, be guilty of a felony and shall be punished by imprisonment from 1 to 10 years or by a fine of \$10,000, or both.

Sec. 3. (a) As used in this act the term "wrongful" means in violation of the criminal laws of the United States or of any State or Territory.

(b) The terms "property", "money", or "valuable considerations" used herein shall not be deemed to include wages paid by a bona fide employer to a bona fide employee.

Sec. 4. Prosecutions under this act shall be commenced only upon the express direction of the Attorney General of the United States.

Sec. 5. If any provisions of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Sec. 6. Any person charged with violating this act may be prosecuted in any district in which any part of the offense has been committed by him or by his actual associates participating with him in the offense or by his fellow conspirators: *Provided*, That no court of the United States shall construe or apply any of the provisions of this act in such manner as to impair, diminish, or in any manner affect the rights of bona fide labor organizations in lawfully carrying out the legitimate objects thereof, as such rights are expressed in existing statutes of the United States.

Mr. COPELAND. Mr. President, I should like to call the attention of the Senator from Indiana [Mr. ROBINSON] to this matter. This bill passed the Senate and went to the House, and the provisions in the bill which were criticized have been corrected by the amendment. Therefore, if it is agreeable to the Senator from Indiana to withdraw his proposal for a reconsideration, I will ask that the Senate concur in the amendment of the House.

Mr. ROBINSON of Indiana. Mr. President, I asked for a reconsideration originally because those interested in American labor were opposed to the bill as it was drafted. I should like to ask the Senator from New York now whether or not labor is satisfied with the bill?

Mr. COPELAND. I am assured by the Attorney General that the Federation of Labor is now satisfied.

I move that the Senate concur in the amendment of the House.

The motion was agreed to.

RAILROAD EMPLOYEE'S RETIREMENT SYSTEM

The Senate resumed the consideration of the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes.

Mr. WAGNER. Mr. President, I desire briefly to address the Senate upon the pending legislation.

The VICE PRESIDENT. The Senator from Ohio [Mr. FESS] has given notice that he will object to the consideration of anything except the pending business. He has called for the regular order, which is the bill before the Senate.

Mr. WAGNER. Mr. President, I desire to address the Senate briefly upon the pending legislation. To begin with, I should like to pay a tribute to the chairman of the subcommittee which had this legislation under consideration. I am sure my colleague, the Senator from West Virginia [Mr. HATFIELD], who, together with myself, introduced this legislation, will concur in that tribute. I am sure that if it were not for the indefatigable services rendered by the junior Senator from New Hampshire [Mr. BROWN] as chairman of the subcommittee it might very well be that this legislation would not now be before us for consideration.

Mr. HATFIELD. Mr. President, I will say that I heartily concur with the distinguished Senator from New York in commending the great efforts put forward by the chairman of the subcommittee, the junior Senator from New Hampshire [Mr. BROWN]. It is due to his continual work that it has been possible to report the legislation at this time.

Mr. WAGNER. Mr. President, insurance for the aged is one public measure not subject even to the shallow objections that have balked other proposals for social legislation in this country. Popular fancy may be caught temporarily by the plea that a man is unemployed because he is shiftless, or that he has met with an accident because he is careless; but old age, while not a certainty in any particular case, is not a preventable evil.

In this country the falling birth rate and the increase in the average span of life have constantly enlarged the number of people who pass the mark of 65 years. In 1850 only 2.5 percent of the total population were old in this sense; today the figure stands at 5.5 percent, while in numbers the change has been from 600,000 to 6,500,000. It is competently estimated that within 40 years about 20,000,000 people in this country will be over 65 years of age.

As the machine age takes the place of the craftsman, it is becoming more and more difficult for the old person to find a place in industry. In consequence over 5,000,000 of them today are dependent upon others for their support.

A very small proportion of these unfortunates find their way into private homes for the aged. But such institutions are very scarce and are open only to those who are not dependent in the ordinary sense. Then there is the public poorhouse, which certainly cannot be considered a rainbow at the end of the trail of the worn-out worker. The vast majority of the aged, however, are supported by younger members of their own families.

It is this latter type of support which has constituted the chief argument against old-age pensions. The cry of preserving family solidarity has been prolonged and widespread, but its effectiveness is diminishing day by day. The young family living upon a modest income is not benefited by supporting old dependents. The strain destroys morale and breeds subtle animosities. It is equally certain that the person who has become too old to work does not live happily when he is a burden upon his loved ones, while the last 10 or 15 years of active working life are often blighted with the fear of coming dependency.

Next is heard the argument that old-age dependency results from lack of thrift. But no one who has made a study of the average family income in the United States would claim that it is sufficient to afford protection against old age. The young and eager individuals cannot be asked to deny themselves the necessities and small pleasures of life in order to provide for long years of old age which they may never face. If 85 percent of our old people have been guilty of lack of thrift, then this is the common human fail-



ing which should be recognized and guarded against; and social insurance in truth is not a substitute of thrift but the application of thrift principles on a Nation-wide scale and on a sound scientific basis.

Finally, one must meet the argument that public relief for the aged would cost too much. This neglects the very obvious truth that the aged represent a burden upon society, no matter in what manner it is paid. They are not taken out and slaughtered, along with underdeveloped children, as was done in some earlier and more ruthless civilizations. At present this cost is a double burden because of the uncertain, haphazard, and slipshod manner in which it is handled. It is a drain upon the economic, physical, and nervous resources of the young who happen to be burdened excessively. It is a strain upon industry which is forced to carry along people who are too old to do first-class work and too worthy and loyal to discharge.

In this connection there is a direct relationship between the problem of old-age pensions and the relief of unemployment. Quite aside from the present depression, we face a technological situation in the foreseeable future when from four to six million people of youth and able bodies will be unemployed during so-called "normal times." A large proportion of these could be drawn into industry if places could be made by the withdrawal of those who are older and less efficient and who deserve and want a few years of rest.

I believe that a Nation-wide and general system of old-age protection should be devised speedily. Under the leadership of our socially minded President, such will undoubtedly be the case. But, in the meantime, nothing could be more helpful than the establishment of a system in a single compact industry which will serve as a laboratory for experiment. The railroads are peculiarly adaptable to this initial undertaking. They have, on the whole, a relatively high-paid class of workmen who can afford without self-denial to undergo the charges of compulsory savings. They are by custom and function well suited to Federal supervision and guidance. Finally, they afford to the public one of the most dramatic examples of the public dangers involved in having older and less alert people in charge of operations.

This bill, S. 3231, provides for an adequate system of retirement pensions for all employees on all transportation facilities subject to the Railway Labor Act.

It provides that any employee may retire upon reaching the age of 65 and having served for 5 years, or after 30 years of service. While retirement is compulsory at 65, it may be extended for yearly periods up to 70 years by mutual consent of employer and employee.

Upon retirement an employee shall receive a monthly annuity payment equivalent to 2 percent of his monthly compensation multiplied by the number of years that he has served. Monthly compensation is defined as the average monthly compensation during the entire period of service, whether regular or intermittent, and whether served in whole or only in part after the passage of this act. In no event, however, is any part of an employee's wage over \$400 per month to be considered in calculating either his contributions or his annuity, and in no event shall the annuity exceed 75 percent of his monthly compensation.

The bill, therefore, as it properly should, gives promise of relief to men who are now old and near the end of their service, as well as to those who are just beginning to work. However, to prevent an excessive windfall going to the older men, the bill provides that in their case the annuity shall not exceed 60 percent of their monthly compensation and that this percentage shall be reduced by 4 percent for each year the worker is under 65 when he retires. This reduction based upon age, of course, will not be applicable if the retirement is due to disability rather than volition.

If any employee dies before or after retirement, his estate shall be entitled to receive whatever sums he has paid in, compounded at 3 percent interest, less whatever annuity payments he may have received.

To provide funds for the pension system each employee is to make a compulsory contribution deducted from wages equal to 2 percent of his compensation. The employer will have to match this by a sum exactly twice as great. The board created by the bill is empowered to raise or lower the rate of contribution in order to provide the proper amount to pay the expenses of annuities and other disbursements on a current income and outgo basis.

All funds collected under the bill are to be earmarked in the United States Treasury under a "railroad retirement fund", and may be invested in obligations of the United States.

The board is also empowered to consolidate existing private pension systems with the new system in whatever manner is acceptable to all the parties involved. But if any party is not willing to concede to this, the new system will go into full force nevertheless. At the same time, if any existing system provides greater benefits than the one set up by the bill, the greater benefits shall not be disturbed.

To administer the bill a board of 3 members is established comprising 1 representative of employers, 1 of employees, and 1 of the general public. The board is empowered to take all action, make all regulations, and institute all proceedings necessary to give effect to the law. The orders of the board shall be enforceable in the United States district courts.

Sufficient sanctions are provided. Any employer or employee who is guilty of substantial misrepresentation in connection with the administering of the act is subjected to a fine not exceeding \$10,000 or to imprisonment not exceeding 1 year. In addition any employer who is willfully delinquent in his contributions may have imposed upon him an additional contribution tax of 1 percent of his required payments for each month the payment is delayed.

The purposes and promises of the bill are manifold. It will afford unemployment relief by removing the older men from service and creating opportunities for the young. It will create efficiency and thus benefit employers and the public by refreshing the service with young and active people. It will help the railroads by removing from their pay rolls and putting on a pension basis people who have outlived their usefulness and who are being carried along as an act of charity. Most important of all, it blazes the way for full treatment of the problem of old-age security, which has been met in every other great industrial country and which there is no reason or excuse for neglecting in our own.

**THE VICE PRESIDENT.** The question is on agreeing to the amendment of the committee. The Chair understands the Senator from Rhode Island [Mr. METCALF] has some amendments to offer to the amendment of the committee. Under the parliamentary rule he may now offer those amendments to the committee amendment. The Senator from Rhode Island is recognized for the purpose of offering his amendments.

**MR. METCALF.** Mr. President, I offer the amendment which I send to the desk.

**THE VICE PRESIDENT.** The Senator from Rhode Island offers an amendment to the amendment of the committee, which will be stated.

**THE LEGISLATIVE CLERK.** It is proposed, on page 15, to amend section 1, paragraph (a), of the committee amendment, so as to read:

The term "carrier" means any carrier by railroad, express company, sleeping-car company, or other operator of transportation facilities or any subsidiary or auxiliary services used by or operated in connection with any such carrier.

**MR. METCALF.** Mr. President, I am heartily in favor of legislation which will bring security in old age to the persons who devote their lives to railroad transportation. I feel that this proposed legislation is right in principle, and that we should do something to bring about a uniform system of retirement. However, I feel that this is hurried legislation, prepared without accurate knowledge of what it will cost

either the railroad or the employee, and without the benefit of a thoroughly studied plan of organization.

It is significant that the Federal Coordinator of Transportation, Mr. Eastman, has expended some \$300,000 for the purpose of studying a retirement system for the railroads. Preliminary studies have been made but Mr. Eastman has had no opportunity to make a summary of his findings and report to the Congress. It has not been possible for the proponents of this bill to prepare an accurate actuarial, for such an actuarial would cost not less than a half million dollars and would take many months to prepare.

Coordinator Eastman appeared before both the Senate and House committees and opposed this bill on the ground that it was premature. He agrees with me and with members of the committee that such legislation is desirable, but he feels, as I feel, that a pension system which is ill-advised and not carefully constructed will endanger the possibility of a well-rounded, permanent, and secure system. His testimony before the House committee, which covered some 28 pages of objections to a basically similar House bill, are summed up in his own language as follows:

Summing up, my conclusions are that while better provision for retirement annuities for railroad employees is very desirable from every point of view, H.R. 9596 is subject to the following criticisms:

1. The provisions of the bill in important respects are not clear, would be difficult and expensive to administer, and would breed much controversy and litigation.

2. In certain respects the provisions of the bill would discriminate unfairly between individuals and also between classes of employees.

3. The estimates of cost to both the companies and the employees which are given in the report of the Senate committee are much too low. The annuities which would become payable would be considerably larger both in individual amount and in total volume than the framers of the bill have apparently anticipated.

4. The bill is frankly based on the principle of securing knowledge as to all that may be involved and the results after the system of retirement annuities goes into effect rather than before, and making subsequent adjustments in the light of the knowledge acquired as the result of actual experience.

No annuities will become payable under the bill prior to January 1, 1935, and they may be held up longer by litigation which the bill will invite. Before that date I shall be able to present to the Congress the results of the survey which has been made, including actuarial analyses of the data, and to present a plan definitely adjusted to the facts so ascertained. I hope and expect that it will be possible to include in this plan, also, provision for unemployment benefits, placement service, and dismissal wages under certain conditions. In the circumstances I am of the opinion that it is desirable to suffer this comparatively short delay rather than to adopt a measure having the imperfections of the one before you. In the meantime, the present railroad pensions will continue in operation and will protect the situation to some extent.

I understand that some 90 percent of the railroads already have a pension system.

Coordinator Eastman has completed a survey of approximately 400,000 railroad employees. Over half of these had left the service prior to the date on which the survey was made; and from this great mass of information, for which the United States Government has paid \$300,000, it should be relatively easy to construct a plan for a retirement system that would be both sound and desirable.

In the first place, Mr. Eastman declares after a thorough study of preliminary figures drawn from his survey that the estimates of the cost of this bill are much too low. There is no way under the sun to tell accurately what assessment will be necessary to carry the load during the next 4 years. This is an experimental period. These 4 years will be used for the purpose of rounding out a pension system, and in a large degree for duplicating the work already done by Coordinator Eastman with money contributed by the Government.

This pension system is built on an estimate of an average of \$1,600 income for retirement purposes for each railroad employee. From the studies already made by Coordinator Eastman he estimates that \$2,000 is a much more accurate average. As a consequence of this, it would appear that the 2 percent per year annuity which would be paid to retired workers is too high to yield the fair amount which the proponents of this bill desire. On a basis of 1½ percent, the

average pension would be \$75 per month. On the basis of 2 percent, as in the bill, and under the estimates of the proponents of the bill, this pension would be \$83.33 per month.

I feel that a pension system for the railroads is just and that it should be permanently installed. However, we should not risk a system which might fail from its own topheaviness, but we should start conservatively by allowing the board to make its studies, install a wide-spread and conservative system, and report to the Congress as soon as possible, in order that we might redraft legislation for a permanent, satisfactory system. We should start out with a pension system which would pay retired employees 1½ percent per year of their average pay instead of 2 percent, and then increase this, should it become necessary, in the next Congress. This would assure the railroads and the employees that the assessments which will be necessary to cover the cost of this bill will not be greatly increased during this experimental period and will lessen the danger of our building up a topheavy system. I feel that 2 years should be sufficient for this experimental period.

I also feel that this system should be extended beyond the railroads, to include all common carriers. It would seem inconsistent for the Congress to authorize a retirement system for the railroads and ignore the employees of their competitors. The persons who engage in bus and water transportation are engaged in equally hazardous occupations, and in occupations which are in the interest of the general welfare.

While I feel, as Coordinator Eastman feels, that we should wait another 6 months until we have complete actuarials, so that the matter of cost to both employees and railroads might be accurately determined, I am so heartily in sympathy with the principle of pensions that I am going to content myself by offering what I believe to be perfecting amendments to the bill. These amendments are drawn in the light of more recent information, taken from the preliminary surveys made by the Government.

I have had no opportunity to give a thorough study to this material, as it did not become available until about 2 days ago. However, I have the 28-page statement of Coordinator Eastman, which came into my hands this morning, and which would appear to boost the probable cost of this pension system by a great amount. Consequently we should move with caution in order not to jeopardize a fair and permanent retirement system which would be desirable for the railroads and employees alike.

MR. DILL. Mr. President, what is the purpose of the amendment which the Senator has offered?

MR. METCALF. The bill covers only the organizations subject to the Railway Labor Act, together with their subsidiaries. If we are to inaugurate a pension system, why not extend its benefits to the employees of other common carriers who are engaged in equally hazardous occupations, and whose retirement likewise would make jobs for other people? It is unfair to enforce a retirement system on railroads and exempt their competitors from such a system.

MR. President, I thought I would telegraph to the presidents of four or five of the railroads in the North, South, East, and West, asking their views on this subject. Here is a reply I received from the president of the Union Pacific, at Chicago. I did this only a day or two ago.

CHICAGO, ILL., June 12, 1934.

HON. JESSE H. METCALF,

United States Senate:

Your wire date our objection to the pending railroad pension bill is that it immediately forces upon the railroads a very heavy expense without reliable actuarial information as to extent of liability. Such a study is now in progress under direction Federal Coordinator of Transportation with funds appropriated by C.W.A.; Mr. Eastman's testimony before committee estimated that annuity payments 1935 would be \$91,000,000, rising rapidly to \$136,000,000 in 1938.

Upon basis provided in bill as applied to 1933 pay rolls railroads would contribute \$56,000,000 and employees \$28,000,000. So plan would start with a certain deficit of \$7,000,000 next year, rising to \$52,000,000 with 4 years. Pensioners would either be deprived of full amount of annuities of railroad and employee contribution would be practically doubled. The amounts given above are in addition to the amounts paid by the railroads now to pensioners which are not illiberal in the great majority of cases.



As we understand President has advised Congress he expects to present study and recommendation of a somewhat similar nature with respect to all industries and which will be supported by actuarial studies it would be most unfortunate to have one branch of industry now singled out and without sufficient information subjected to arbitrary treatment upon a basis which might prove exceedingly embarrassing by comparison when the whole subject of industrial annuities is considered. We earnestly urge that Congress delay any action until it can have advantage of Mr. Eastman's report.

C. R. GRAY,  
President Union Pacific Railroad.

The figures stated in this telegram will make us all realize that it might be necessary at this time to increase passenger and freight rates.

Mr. President, I sent a telegram also to Daniel Willard, president of the Baltimore & Ohio Railroad, and his reply is as follows:

BALTIMORE, Md., June 12, 1934.

HON. JESSE H. METCALF,  
United States Senate:

Your message this date just received. Am in favor in principle of a suitable pension plan for railway employees. Baltimore & Ohio Co. has maintained such a plan at its own expense for nearly 50 years. I am not in favor of the Wagner-Hatfield pension bill, referred to in your message, because, as I understand it, I think it places too great and unnecessary a burden on the cost of rail transportation. I venture to suggest that it might be well, before taking final action on the matter, to await results of very thorough investigation which Federal Coordinator of Transportation is making of this same subject. Am quite certain that data which he is accumulating will throw more light upon the matter than any investigation heretofore made in that connection.

DANIEL WILLARD,  
President Baltimore & Ohio Railroad.

Mr. President, I have another rather long telegram, which I read as follows:

NEW YORK, N.Y., June 12, 1934.

JESSE H. METCALF,  
United States Senate, Washington, D.C.

Greatly appreciate your inquiry requesting my views Wagner-Hatfield pension bill. So far as I know all railroad executives are and necessarily must be opposed to it because it would involve an utterly crushing financial obligation completely beyond any visible capacity of the carriers. At present railroads are paying approximately \$26,000,000 a year in pensions and pending bill would superimpose on existing burden an additional payment by them of more than \$80,000,000 in the first year. A careful review of the provisions of this bill forces the conclusion that it will be devastating to the railroad industry. Federal Coordinator of Transportation now engaged in exhaustive analysis of whole subject, and it is respectfully and earnestly urged that no pension legislation be enacted pending more deliberate consideration including Coordinator's report. Manifestly present financial condition of carriers cannot be overlooked, and it is submitted that legislation that would tax them beyond endurance is neither timely, constructive, nor in public interest.

F. E. WILLIAMSON,  
President New York Central Railroad.

I have another long telegram here, from W. R. Cole, president of the Louisville & Nashville Railroad. When I sent out my telegrams, I tried to send them north, south, east, and west, so that I would get a general idea of what the presidents of the railroads all over the country thought of the proposed legislation. Mr. Cole's telegram is as follows:

LOUISVILLE, Ky., June 12, 1934.

HON. J. H. METCALF,  
Senate Office Building:

Your wire date for your information I quote the following telegram which under date of May 29, 1934, I addressed to Senators from Kentucky, Tennessee, and Alabama: "May I not urge that you oppose the passage of the substitute for Senate bill 3231 to provide a retirement and pension system for railroad employees, now pending before the Senate for the following reasons: First, this bill would add \$50,000,000 per annum to the expenses of the railroads over and above the amount now being disbursed by them in connection with their individual pension system; second, the bill is a hurriedly prepared composite of other bills containing new features and the railroads have had no opportunity to be heard on the pending bill; third, the Government has placed at the disposition of the Federal Coordinator of Transportation \$300,000 to make a thorough study of the matter contemplated in this bill upon which he is now actively engaged and certainly no legislation should be enacted pending the result of his investigations and recommendations and I am authoritatively advised that he is opposed to any effort to enact pension legislation at this time?"

W. R. COLE, President,  
Louisville & Nashville Railroad.

Mr. President, the amendment I have sent to the desk makes compulsory retirement at the age of 70 years, but exempts for a period of 5 years after the effective date of the bill compulsory retirement for those occupying official positions. The bill now makes compulsory retirement at 70 years, but also states that compulsory retirement shall take place at 65 years without the mutual consent of employee and employer. Many valuable employees of railroads are between the ages of 65 and 70, and I can see no reason why the age of 70 should not be substituted for 65, particularly since this bill provides that a man may work between the ages of 65 and 70 by agreement between the railroad and the employee.

Mr. DILL. Mr. President, as I understand it, the Senator wants to have the bill include the employees of such transportation organizations as bus companies, water-transportation companies, and so on?

Mr. METCALF. Where they compete with railroads.

Mr. DILL. The bill contains no provision for payments into the fund by such organizations. It would be necessary to rewrite the bill in that connection. It should be said also that none of these organizations now have pension systems such as the railroads have.

Mr. WAGNER. Mr. President, let me suggest a further objection. The Senator is attempting to include transportation facilities which may be engaged only in intrastate commerce, and we have no power to bring them under the system.

Mr. METCALF. They would not come in.

Mr. WAGNER. The Senator would take all limitation off and provide for every kind of transportation facility coming in.

Mr. METCALF. Those which compete with the railroads, and that, of course, can only be where they handle interstate commerce.

Mr. WAGNER. It might still be intrastate. Besides, there is no way in which the Senate could ascertain how many additional employees would be included in the system under the amendment offered by the Senator from Rhode Island. All the actuarial calculations which have been made, which are the basis for the legislation, would be thrown out of gear altogether.

Mr. METCALF. As I understand it, Mr. Eastman claims that all the data now available are not correct. He states that.

Mr. WAGNER. Whether they are correct or not, the Senator is asking us now to include every kind of transportation system in the United States, and we have no knowledge as to how many employees might be represented, and what their average wages would be. This matter ought to be provided for in some independent legislation.

Mr. METCALF. If the word "interstate" were put in this amendment that would do, would it not?

Mr. WAGNER. Even then we would not have definite knowledge as to just what transportation we were bringing in.

Mr. COSTIGAN. Mr. President, does the Senator want to bring in water carriers?

Mr. METCALF. Yes. I believe in treating every one alike, and treating every one fairly. The man on the horse car or the street car should be brought in. Let us be fair to them all. A great expense is being placed on the railroads, but their competitors are being left out.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. METCALF. I yield.

Mr. HATFIELD. I may say for the information of the Senator from Rhode Island that the Senate committee has given study to the subject for a period of 2 years, and the actuarial investigation has been made by men whose reputation and standing is unquestionable from the actuarial point of view. Were an amendment of this kind, which takes in another group of transportation people to be adopted, it would mean the ruination altogether of this bill.

Mr. WAGNER. Mr. President, may I also make the observation that the distinguished Senator from Rhode Island

is a member of our committee, and there were ample opportunities for him to present this amendment for the consideration of the committee. I think it would have been a more appropriate time to make this request, when the matter was considered in committee, so we would have had some opportunity to make inquiry and study in relation to the subject.

Mr. METCALF. Mr. President, if the learned Senators who have made such a great study of this bill think this amendment would make it difficult to carry out the operations under the bill, I will withdraw my amendment. I, however, still think it is a very fair amendment.

The PRESIDING OFFICER (Mr. COPELAND in the chair). Does the Senator withdraw the pending amendment?

Mr. METCALF. I withdraw the amendment.

I send another amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment proposed by the Senator from Rhode Island.

The LEGISLATIVE CLERK. It is proposed, on page 18, line 2, to strike out the word "four" and to insert the word "two."

Mr. METCALF. Mr. President, this amendment would require the Retirement Board to report to the Congress within 2 years instead of within 4 years. As the studies of Coordinator Eastman will be available within the next few months, I can see no reason why a complete picture of the retirement system cannot be secured under 2 years. This will make it possible for us to complete a thorough and fair pension system in the next Congress. It is my belief that this system should be built up on a permanent and solid basis as quickly as possible, and that we should not extend our period of experiment as long as 4 years.

Mr. WAGNER. Mr. President, I have no objection to that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. METCALF. Mr. President, I send another amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed on page 15 to amend section 1, paragraph (b), so as to strike out all except the first sentence.

Mr. METCALF. Mr. President, this amendment would confine this retirement system to employees of the common carriers only. Under the bill the system is extended to include officers or other official representatives of labor organizations. This section of the bill is intended to take care of the walking delegates and persons who do not give their actual time to the service of the roads, but are engaged in organization work and the like.

At this time I desire to read a telegram from the president of another of the big railroads, as follows:

CHICAGO, ILL., June 12, 1934.

HON. JESSE H. METCALF,

United States Senate, Washington, D.C.:

Your wire date railroad pensions. Very large percent of mileage in United States is operated by companies which have established voluntarily pension systems under which they now pay about \$36,000,000 annually. Senate bill 3231 is on so-called "pay-as-you-go basis", which means that employee compelled now to contribute creates no fund to which he may look for his own protection, but in exchange for his money receives only promise that others years hence will furnish money for his pension when he reaches pension age. Payments made by railroads and employees will be mingled with purely voluntary payments of labor representatives to pay immediate or early pensions to such representatives, but possibility of future contributions by such representatives to assist in paying pensions of genuine railway employees depends wholly on willingness of labor representatives to continue their payments. Section 9 undertakes to make railroad employees of Government, officers and employees who may have never had a day of railroad service, and apparently section 3 promises them pensions without cost to them at joint expense of railroads and genuine employees. Bill provides immediate compulsory retirement of large numbers who will contribute nothing or very small amounts, but who will receive pensions for remainder of their lives on same basis as men who continue contributions over long periods of years.

Young men are treated with inequality since they must contribute over long period of years while contribution of older men

will continue for shorter periods though they will receive same pensions as younger men. One reaching 65 becomes entitled to pension if at any time he has had as much as 5 years' railroad service, provided he has any railroad service at all after passage of act, so that a man who entered service at 21 after serving 5 years may quit railroad service for other employment which he prefers or finds more lucrative and may spend practically his entire active life in other work yet on reaching 65 he can require railroads and genuine employees of railroads to pay him pension toward which he need have made only 1 month's contribution if his service precedes passage of bill. Bill undertakes accumulate all years spent in service of all railroads treating them as a single employer. Thus it not only deprives them of benefits of incentive to employees to continue in service but requires solvent railroads to pay for account insolvent railroads and requires existing railroads to pay for account railroads no longer in existence. In addition this feature of bill opens up large possibilities of fraud on account of difficulty of getting records covering service alleged to have been rendered 25 to 50 years in the past. Bill makes no exception in case of employee whose misconduct or even criminal act has required his dismissal from service. Provision for optional retirement at end 30 years' service regardless of age will make it possible in many cases for man to retire in prime of life with pension possibly competing unfairly with others seeking employment by being in position to accept smaller compensation which, combined with his pension, may still pay him more than he received in railroad employment. Computation average wage under section 3 unfair because 12-month period in which employee draws largest wages during his whole service is taken as basis for his average wage instead of taking average of what he actually earned.

This unfairness is increased by treating as 1 month in determining years of service every month in which he performed at least 1 day's service. Bill will not relieve railroads of their present outstanding pensions but in addition thereto will cost them at the outside about \$55,000,000, which cost will increase very fast. Known financial condition of railroads is such that they are not in position to bear this increased burden. Assessments proposed by bill will be insufficient to cover pensions proposed so that immediate deficit will arise which will so increase that assessments on both railroads and employees will double within few years. By its own terms bill is 4-year experiment, but it makes definite promises of pensions to be paid at expiration of many years so that it will be impossible abandon experiment or make substantial change in it after compelling railroads and employees contribute to it for 4 years, or if it be found possible abandon or change experiment disappointment and injustice resulting to employees would cause disturbance of relationships which would be injurious not only to railroads and employees but to public as well. Federal coordinator has conducted exhaustive studies and understand is preparing definite proposals for plan designed to eliminate many objectionable features of present bill and especially designed to eliminate speculative and experimental feature. Passage of experimental bill without awaiting result of study conducted by public officer at public expense, in my opinion, is unseemly, especially in view of opinion in recent Presidential message that social project for old-age and unemployment protection should not be handled piecemeal. Constitutionality believed doubtful because measure in effect dictates terms of employment and wages; also measure does not relate to interstate commerce since it makes no distinction between employees engaged in interstate commerce and those solely in intrastate commerce, or between those engaged in carrier service and those in noncarrier service, such as railroad, mines, and hotels. Bill has no real relation to safety since it makes no distinction between those engaged in hazardous and nonhazardous employment. Hope you will find it consistent to oppose passage of this measure.

S. T. BLEDSOE,

President Atchison, Topeka & Santa Fe.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island to the amendment of the committee.

Mr. WAGNER. Mr. President, I want to suggest, looking at the situation realistically, that most of the representatives of employees' organizations are former employees of the railroads. They are elected to an official capacity in some labor organization. There follows a period of time, some 3 or 4 years, that they remain as officials of the organization. Some of them perhaps stay longer. If they lose out in an election they return to the railroads to their former jobs. In the meantime under the terms of the bill they are required to make contributions like the other employees. They get no other benefits than the employee who retains his job and makes regular contributions.

I think, under the circumstances, it would interfere with those organizations securing the best men, because the men would refuse to serve the organizations if by leaving the service of the railroad for a period of time they should lose their right to a pension. They pay for their pension just as all other employees do, and, in addition, are required to make the contribution otherwise required to be made by the carriers.



Mr. METCALF. What percentage would they pay? If they are not then on the railroad pay roll, where would the percentage be based?

Mr. WAGNER. They would pay the same percentage they paid when they were in the direct employ of the company.

Mr. METCALF. Is there any chance that there would be a large number of them who claim the privilege of having a pension?

Mr. WAGNER. As a matter of fact, they represent a very small percentage.

Mr. METCALF. There are so many in each State, are there not?

Mr. WAGNER. A very insignificant number compared to the total number of employees. It is not a significant thing at all.

Mr. METCALF. All these men would be former railroad employees.

Mr. WAGNER. I know of no case where there is a representative of the railroad employees who has not been a direct employee of a railroad company. May I ask the Senator from West Virginia if I am correct?

Mr. HATFIELD. Mr. President, that is true. I think it is one of the requirements under the rules and regulations of the railroad brotherhoods.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. METCALF. Mr. President, I offer the following amendment to the committee amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, in the committee amendment, on page 19, to amend section 4 so as to read:

Retirement shall be compulsory upon employees who on the effective date have attained or thereafter shall attain the age of 70 years. Until 5 years from the effective date, compulsory retirement shall not apply to an employee who from and after the effective date occupies an official position in the service of the carrier.

Mr. METCALF. Mr. President, this would simply increase the age limit, and it seems to me it is fair.

Mr. DILL. Mr. President, the fact of the matter is that a great many men who have been employed in the railroad service for many years are not able to continue, particularly in the train service, up to the age of 70 years. I think it would be a serious mistake to raise the limit to 70 years.

Mr. METCALF. Oh, Mr. President, there are a number of Senators who are 70 years of age.

Mr. DILL. Yes; but most of them are not fit to run a railroad train.

Mr. HATFIELD. Mr. President, there is a provision in the bill that by agreement made from year to year between employee and employer, a 5-year extension of service may be had. This ends in all cases at the age of 70, except that for the first 5 years after enactment officials are excepted from the compulsory retirement provision.

Mr. WAGNER. Mr. President, may I also say that the calculations under the bill have been based on the age of 65; and, secondly, statistics show that 85 percent of the workers are dependent at the age of 65 years. The Senator's amendment, by extending the age limit to 70, would to a very large extent nullify the bill. One of the important questions involved is the matter of relieving unemployment.

Mr. METCALF. A great many men would prefer to work until they are 70 years of age.

Mr. WAGNER. If the individual is physically able to continue, he can have an agreement with his employer by which he may continue to that age.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. METCALF. Mr. President, I send to the desk another amendment which I offer to the committee amendment, and ask that it may be read.

The PRESIDING OFFICER. The amendment to the amendment will be read.

The LEGISLATIVE CLERK. In the committee amendment, on page 20, it is proposed to amend section 5, so as to provide:

Each employee shall pay an employee contribution in a percentage upon his compensation. Each carrier shall pay a carrier contribution equal to twice the contributions of each employee of such carrier. The employee compensation shall be the compensation for service paid to such employee by the carrier, excluding compensation in excess of \$400 per month. The contribution percentage shall be determined by the board from time to time, and shall be such as to produce from the combined employee and carrier contributions, with a reasonable margin for contingencies, the amount necessary to pay the annuities, other disbursements, and the expenses becoming payable from time to time. Until the board shall determine on a definite percentage, the employee percentage shall be 1½ percent. Employee contributions shall be deducted by the carrier from the compensation of its employees and shall be paid by the carrier, together with the carrier contributions, into the Treasury of the United States quarterly or at such other times as ordered by the board.

Mr. METCALF. Mr. President, this amendment reduces the contribution of the employee from 2 percent of his salary to 1½ percent of his salary. I am proposing it on the ground that a 2 percent contribution by the employees and 4 percent by the railroads is unnecessary for the beginning of the experimental period, and that we should place no heavier burden than necessary on the employee and the carrier. Of course, the Board is empowered to increase this at any time it may become necessary.

Under this amendment the roads would be immediately forced to pay 3 percent of their total pay rolls instead of 4 percent. However, if after a few months the Board finds that more funds are necessary, it can easily increase this amount.

I hope this amendment will be agreed to.

Mr. DILL. Mr. President, this is a proposal of a different percentage.

Mr. METCALF. Yes. I am taking Mr. Eastman's figures for it.

Mr. DILL. Mr. Eastman has given two or three sets of figures. I do not know what the effect of this amendment will be, but it seems to me an unwise procedure to adopt it.

Mr. HATFIELD. Mr. President, this amendment would absolutely destroy the bill. Mr. Eastman appeared before our committee, and we conceded to him practically everything he asked for. This whole set-up is made upon the recommendation of the actuary. Even the carriers' representative was not far off from the final conclusion that was arrived at by those who were friendly to the bill—only one-half of 1 percent.

Mr. METCALF. Mr. President, part of the figures that Mr. Eastman gives are the difference between what he says is the average pay and the figures that the other actuary gave. One was about \$1,600 a year, and the other was something like \$2,000 a year, so there would not be very much difference in the actual pension received; and then at any time the Board can increase this amount. The amendment would not injure the bill at all. The Board could change the amount at any time within 6 months if it should not be coming out right.

Mr. WAGNER. Mr. President, if the Senator will yield, I think I state the facts when I say that all the actuaries who were consulted and participated in the preparation of this legislation, and appeared before us, agreed that the contribution provided for in the measure is absolutely essential if we are to retain an actuarially sound system.

Mr. HATFIELD. To assure a solvent fund.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Rhode Island [Mr. METCALF] to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. METCALF. I thank the Senate for listening to me.

The PRESIDING OFFICER. The bill is still open to amendment.

Mr. HATCH. Mr. President, I send to the desk an amendment to the committee amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 15, line 17, before the period, it is proposed to insert a semicolon and the words—

but does not include any attorney, physician, or surgeon employed by any carrier.

Mr. HATCH. Mr. President, I have shown this amendment to the authors of the bill, and I trust they will accept it.

Mr. DILL. Mr. President, I think there is no objection to this amendment.

Mr. HATFIELD. I have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. DAVIS. Mr. President, systems of retirement pay have been thoroughly tried and their success established in many different places. I believe that there is a strong trend in this direction in our country today, and that it is especially applicable to railroad employees. Doubtless the time will come when provision of this kind will be made for all types of industry. I think it is reasonable to pioneer in this field in connection with the railroad industry because so many excellent improvements in our social and industrial life have been made possible through it.

Of course, there are always some few people who object to every forward-looking improvement. These people objected to the installation of airbrakes, the electrification of suburban railroads, the abolition of the dangerous open-road crossing, and the development of collective bargaining. Strangely enough, however, after these improvements had been achieved, the same people expressed great pride in what had been accomplished.

Mr. President, I believe this will apply to retirement pay for railway employees. There is but little economy in retaining aged men in the railroad service, and a sense of humanity should protect them from the hardships incident to travel on swiftly moving trains. A railroad man who has devoted his life faithfully to the service of the traveling public deserves retirement pay when he has attained the age of 65. Then the poorhouse will hold no terror for him, for he will be able to retire to a well-deserved contentment with his family and friends.

Mr. President, a pension for the aged will mean a new job for a younger man and industry will find that there is economy in substituting the young for the old. The law of obsolescence applies to the workman just as truly as to buildings and machines. A carefully planned system of retirement pay will net a saving to the railroads, for it will stimulate better service and greater efficiency among workers who hope to retain their jobs in order to secure the advantages of the retirement system. Money laid aside for the care of the aged will be more than repaid by savings secured through increased efficiency and the employment of youthful labor.

The pending legislation presents a reasonable and gradual approach to this problem, and I earnestly favor it in the interest of both management and labor.

I shall vote for the bill.

Mr. LEWIS. Mr. President, I ask the attention of the Senator from West Virginia [Mr. HATFIELD] and the Senator from New York [Mr. WAGNER] in order to say that I have received some inquiries indicating some fear on the part of those from various States whose acquaintance I enjoy. They have been advised that there is a possibility that this measure will supersede the pension systems prevailing in the respective States under the laws of the States. Will the honorable Senators give me their views as to that matter?

Mr. WAGNER. Mr. President, I think I can say that the bill will in no way affect any State statute in relation to any form of pension.

Mr. LEWIS. Is there any provision in the bill which safeguards that matter, so that the provisions of State laws shall not be lost?

Mr. WAGNER. The bill deals only with a subject with which the States cannot deal; to-wit, interstate commerce.

Mr. HATFIELD. There is no conflict.

Mr. LEWIS. Then I shall not detain the Senate. Suffice it to say that those who have been advocating the bill assure me that it will not interfere with the laws of the various States.

Mr. HATFIELD. I may say to the distinguished Senator from Illinois that Hon. Herman L. Ekern, a very distinguished attorney who is also an actuary, passed upon this bill, gave great consideration to it, and helped to prepare it. He at one time was attorney general and was earlier commissioner of insurance of the great State of Wisconsin, and I have every confidence that this gentleman, who is connected with the insurance business today, would not sponsor any legislation which would have the effect mentioned by the Senator from Illinois.

Mr. LEWIS. I am pleased to have the declaration of both Senators.

Mr. WAGNER. Mr. President, the Senator from Illinois, who made the inquiry, is himself a very distinguished lawyer. He knows that no State is in a position to impose a tax upon an industry that is engaged purely in interstate commerce.

Mr. BARKLEY. If the Senator will yield further in that connection, most of the pension laws of the States refer to other matters than railway employees engaged on systems of transportation; so there is no conflict whatever.

Mr. LEWIS. I thank the Senator.

Mr. O'MAHONEY. Mr. President, permit me to say, in respect to the question raised by the Senator from Illinois [Mr. LEWIS] and the statement by the Senator from West Virginia [Mr. HATFIELD], that the statement having been made to me that sufficient study had not been given to the actuarial basis of the bill, I made an investigation to determine what studies had been made. I am satisfied that every care was exercised in this respect.

Even if there were defects, however, I believe that a serious mistake would be made if favorable action were now withheld. The certainty and security that come from pension systems must be afforded to those who are engaged in industry. This is a step toward the ultimate goal.

Several months will necessarily be required to set up the system herein provided. If there are defects, they can be corrected. The bill should pass.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on agreeing to the amendment of the committee, as amended.

The amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

Mr. NORRIS, Mr. LA FOLLETTE, and other Senators called for the yeas and nays, and they were ordered.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. FESS (when his name was called). I have a general pair with the Senator from Virginia [Mr. GLASS], who is detained from the Senate. I do not know how he would vote were he present. Were I permitted to vote, I should vote "yea."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. I understand that he would vote as I intend to vote, and therefore I am free to vote. I vote "yea."

Mr. FESS (when Mr. McNARY's name was called). The senior Senator from Oregon [Mr. McNARY] is detained from the Senate, and I am requested to announce that if present he would vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. REED], but being informed that he would vote as I intend to vote, I am free to vote. I vote "yea."

Mr. WAGNER (when his name was called). May I inquire whether the senior Senator from Missouri [Mr. PATTERSON] has voted?

The PRESIDING OFFICER. That Senator has not voted.



Mr. WAGNER. I have a general pair with the senior Senator from Missouri. Not knowing how he would vote, I transfer that pair to the senior Senator from Oklahoma [Mr. THOMAS] and vote "yea."

The roll call was concluded.

Mr. LEWIS. I desire to announce the absence of my colleague [Mr. DIETERICH], called away on official business. He would, if present, vote "yea."

I am also authorized to state that the senior Senator from Massachusetts [Mr. WALSH] and the junior Senator from Massachusetts [Mr. COOLIDGE] have been called away, attending a convention in the State of Massachusetts; and the Senator from California [Mr. McADOO] is necessarily absent. They authorized me to state that they would vote "yea", if present.

Mr. HEBERT. The Senator from Pennsylvania [Mr. REED], the Senator from Vermont [Mr. AUSTIN], the Senator from Maine [Mr. WHITE], the Senator from Wyoming [Mr. CAREY], the Senator from New Hampshire [Mr. KEYES], the Senator from Delaware [Mr. TOWNSEND], the Senator from Connecticut [Mr. WALCOTT], and the Senator from Missouri [Mr. PATTERSON] are necessarily absent. I am advised that all of those Senators, if present, would vote "yea" on this question.

Mr. LA FOLLETTE. I wish to announce the unavoidable absence of the senior Senator from New Mexico [Mr. CUTTING]. If present, he would vote "yea."

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Ohio [Mr. BULKLEY], the Senator from South Dakota [Mr. BULOW], the Senator from Virginia [Mr. BYRD], the Senator from Montana [Mr. ERICKSON], the Senator from Florida [Mr. FLETCHER], the Senator from Georgia [Mr. GEORGE], the Senator from Nevada [Mr. McCARRAN], the Senator from Mississippi [Mr. STEPHENS], the Senator from Oklahoma [Mr. THOMAS], the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained from the Senate. I am informed that, if present, all of these Senators would vote "yea."

Mr. COSTIGAN. Mr. President, I desire to state that the junior Senator from Arkansas [Mrs. CARAWAY] is unavoidably absent. If present, she would have voted "yea."

The result was announced—yeas 66, nays 0, as follows:

#### YEAS—66

Adams	Couzens	Kean	Pope
Ashurst	Davis	King	Reynolds
Bachman	Dickinson	La Follette	Robinson, Ark.
Bailey	Dill	Lewis	Robinson, Ind.
Bankhead	Duffy	Logan	Russell
Barbour	Frazier	Loneragan	Schall
Barkley	Gibson	Long	Sheppard
Black	Goldsborough	McGill	Shipstead
Bone	Gore	McKellar	Smith
Borah	Hale	Metcalf	Steiwer
Brown	Harrison	Murphy	Thomas, Utah
Byrnes	Hastings	Neely	Thompson
Capper	Hatch	Norris	Vandenberg
Clark	Hatchfield	Nye	Wagner
Connally	Hayden	O'Mahoney	Wheeler
Copeland	Hebert	Overton	
Costigan	Johnson	Pittman	

#### NOT VOTING—30

Austin	Dieterich	McCarran	Trammell
Bulkley	Ericksen	McNary	Tydings
Bulow	Fess	Norbeck	Van Nuys
Byrd	Fletcher	Patterson	Walcott
Caraway	George	Reed	Walsh
Carey	Glass	Stephens	White
Coolidge	Keyes	Thomas, Okla.	
Cutting	McAdoo	Townsend	

So the bill was passed.

#### PARTICIPATION OF THE UNITED STATES IN THE PAN AMERICAN INSTITUTE

Mr. PITTMAN. Mr. President, I report favorably from the Committee on Foreign Relations the bill (S. 3761) to authorize an annual appropriation of \$10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City, and I submit a report thereon (No. 1436). I ask for the present consideration of the bill.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, an annual sum of \$10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City, created pursuant to a resolution of the Sixth International Conference of American States.

#### CLAIMS OF THE UNITED STATES AND TURKEY

Mr. PITTMAN. Mr. President, I report favorably from the Committee on Foreign Relations the joint resolution (H.J.Res. 295) authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary, and I submit a report thereon (No. 1438). I ask for the present consideration of the joint resolution.

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

#### DECORATIONS TO RETIRED OFFICERS

Mr. PITTMAN. Mr. President, I report favorably from the Committee on Foreign Relations the joint resolution (H.J.Res. 330) authorizing certain retired officers or employees of the United States to accept such decorations, orders, medals, or presents as have been tendered them by foreign governments, and submit a report thereon (No. 1437). I ask that the Senate proceed to the consideration of the joint resolution.

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Foreign Relations with an amendment, on page 2, after line 12, to insert "Sol Bloom, M.C., Director of United States George Washington Bicentennial Celebration", so as to make the joint resolution read:

*Resolved, etc.,* That the following-named retired officers or employees of the United States are hereby authorized to accept such decorations, orders, medals, or presents as have been tendered them by foreign governments:

State Department: Robert Woods Bliss, Fred D. Fisher, George Horton, William H. Hunt, Frank W. Mahin, Thomas Sammons, Harry Tuck Sherman, Alexander Thackara, and Craig W. Wadsworth.

United States Army: Charles J. Allen, Bailey K. Ashford, George G. Bartlett, Herbert C. Crosby, William Crozier, Albert C. Dalton, Hanson E. Ely, James E. Fechet, Harry E. Gilchrist, Francis W. Griffin, William W. Harts, John L. Hines, William E. Horton, John A. Hull, Girard L. McEntee, Charles P. Summerall, John J. Pershing, Trevor W. Swett, and Thomas F. Van Natta, Jr.

United States Navy: William C. Braisted, William B. Caperton, Robert E. Coontz, Herbert O. Dunn, John Rufus Edie, Noble E. Irwin, Harry H. Lane, Norman T. McLean, William V. Pratt, Henry J. Shields, George W. Steele, Montgomery M. Taylor, and Arthur L. Willard.

United States Marine Corps: Ben H. Fuller and George C. Thorpe.

Sol Bloom, M.C., Director of United States George Washington Bicentennial Celebration.

Department of Agriculture: L. O. Howard.

Department of Commerce: Antone Silva.

Sec. 2. That the Secretary of State is hereby directed to furnish to the Seventy-fifth Congress and to each alternate Congress thereafter a list of those retired officers or employees of the United States for whom the Department of State under the provisions of the act of January 31, 1881 (U.S.C., title 5, sec. 115), is holding decorations, orders, medals, or presents tendered them by foreign governments.

#### AUTOMATIC RETIREMENT OF PUBLIC DEBT

Mr. SCHALL. By request, I ask leave to have printed in the RECORD and appropriately referred a letter with an enclosure.

There being no objection, the letter, with the accompanying paper, was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., June 2, 1934.

HON. THOMAS D. SCHALL,

United States Senate, Washington, D.C.

MY DEAR SENATOR: I am enclosing herewith a copy of a plan for automatic retirement of the public debt which, to my mind, is not only unique but has real merit and is in substance sound from

an economic standpoint. If properly administered, I believe that some such plan could operate successfully to the definite benefit of the Nation. It is free from the objections which prohibit the use of fiat money or other schemes for inflation of the currency. In brief, it is really not much more than the transfer of rights now held by private banking institutions to the Government itself.

The plan does not originate with me but was evolved by Mr. E. L. Powell, of New Orleans, La., who recently visited me on a business trip and explained it to me in the course of our conversation.

I feel that the plan is worthy of serious consideration and I am, therefore, calling it to your attention.

Cordially yours,

HOWARD O. WILLIAMS.

This plan does not involve the printing of fiat money; on the contrary, the currency proposed to be issued will have back of it the security of issued Government bonds and in addition will have the full taxing power of the Government on the value of all income and property now taxable or to be made taxable through future proper legislation.

The proposed plan offers complete control of the currency.

It provides for the orderly payment of the bonds, and redemption and cancellation of the currency proposed to be issued. Therefore, said currency is certain of orderly retirement in reasonably fixed yearly amounts.

The operation of this plan and the certainty of redemption will prevent any unusual fluctuation in the price of United States Government bonds, for such fluctuation will be of no public interest. The Government would be the only party interested in the price of the bonds and there would be no trading in same; therefore, no reason for fluctuation.

Under the proposed plan, bonds bearing 4-percent interest with 2-percent sinking fund, the debt would be paid off in about 27 years. Interest would be reduced rapidly as bonds were paid.

#### SUGGESTED PLAN FOR PAYING THE UNITED STATES DEBT

Congress to authorize calling all United States bonds for refunding or paying, and for this purpose to authorize new bond issues, in such amount as would be needed. Interest on called bonds to cease at first interest date after date of call.

Do not exchange bonds. Pay them, obtaining the money as follows: Use new bonds as collateral for 6-month loans; borrow from Federal Reserve, that bank to issue currency to the United States for all such loans—all loans to be renewable—in such form as may be most desirable and the renewal privilege to be stated in the notes and for a period of not less than 25 years, but payable—at the option of the United States—at any time.

Bonds and loan notes to carry same rate of interest.

The United States would provide in the annual Budget for payment of interest on bonds, and sinking fund as is now provided.

The coupons, when paid by the United States to itself as owner of the bonds, would provide the money to pay the interest on the loans.

The entire profit to the Federal Reserve would find its way back into the United States Treasury (as surplus over the 6 percent dividend)—and to be dedicated to paying off the loan, and, as loan is paid, an equal sum in bonds to be canceled.

As the loan notes are paid, the currency issued by the Federal Reserve to be retired by the bank same as is done in their dealings with member banks.

As the 6-percent dividend, payable to members of the Federal Reserve Bank System (see par. 3, p. 2), is much more than earned every year, this increases the rate of payment by the exact amount now being paid for bond interest, as under this plan, the entire interest plus the present sinking fund would be available for and dedicated to the retirement of the bonds.

This does not increase taxes, but, as bonds are retired, results in steady decrease. This would result in—

First. Providing all new currency needed without inflation.

Second. The supply of new money and the withdrawal from the public of Government bonds as investment would result in present bondowners seriously hunting for new investments and thereby tend to revive all business.

Third. The Federal Reserve earnings in excess of 6 percent paid to member banks on capital furnished by them is the property of the United States Government and would retire the bonded debt entirely in a few years, depending on interest rate and sinking-fund provision.

Fourth. Government bonds would be entirely removed from the public market, the Federal Reserve bank to be the only holders (as collateral only) and the United States Government to be the only owner. The whole matter is thus reduced to an ordinary business banking transaction, with the Federal Reserve bank as lender and the United States Government as borrower.

#### REMARKS

It is important in considering this plan to always bear in mind that a member bank can now borrow from the Federal Reserve bank, using United States bonds as collateral, and this plan merely gives the United States the same right and privilege.

Any of the called bonds that may be held in foreign countries can be readily handled by allowing sellers of goods to United States buyers to pay for same in United States bonds at par, the United States to pay for said bonds at par when presented for collection in the United States.

To facilitate the handling of coupons and notes between the Federal Reserve bank and the United States Treasury, the bonds should be issued in large units, say, 50, 100, or 500 million dollars.

When payment or partial payment of note is made any difference between face value of note plus interest and the amount of cash available would be cared for in the same manner as any similar ordinary transaction.

The operation of this plan would reduce the need to provide work at public expense for the purpose of reducing unemployment and to relieve distress.

The need for employing the new money would accomplish this result.

#### DEPORTATION OF ALIEN SEAMEN

Mr. KING. Mr. President, inadvertently yesterday the chairman of the Committee on Immigration reported the bill (S. 868) to provide for the deportation of certain alien seamen, and for other purposes. The bill as reported did not contain an amendment which had been suggested, and I ask that the bill be recommitted to the committee.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KING. Mr. President, from the Committee on Immigration I now report favorably the bill (S. 868) to provide for the deportation of certain alien seamen, and for other purposes, with an amendment, and I submit a report (No. 1439) thereon.

#### COMMITTEE SERVICE

Mr. ROBINSON of Arkansas. Mr. President, I ask that the Senator from Wisconsin [Mr. DUFFY] be assigned to the vacancy, on behalf of the majority, on the Committee on Inter-oceanic Canals.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ECONOMIC LEGISLATION—RADIO ADDRESS BY TOM DAVIS

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a radio speech by Hon. Tom Davis, of Minnesota, on the subject of Economic Legislation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Men and women of Minnesota, we are fighting in this campaign for the soul of America.

We are fighting to see that this Nation of ours shall not perish. The Farmer-Labor Party of Minnesota was not founded by Socialists or by Communists.

The men and women who sacrificed in order to build up the progressive cause in this State have been betrayed in their own house. The platform adopted by the recent Farmer-Labor convention cannot and does not represent the sentiments or the hopes of those who believe in this democracy and who sincerely hope for its preservation and success.

No one has the right to ask or demand that the people of this State surrender their liberties or their freedom to any political machine or any political party.

Minnesota is my birthplace and since I arrived at manhood I have taken an intense interest in political affairs.

I have filed for the Republican nomination for the office of United States Senator at the coming primary.

I have always believed and still believe in the progressive cause. The issues raised in the present election in Minnesota rise above party lines and transcend all personal consideration and go directly to the question of whether or not we shall maintain a republican form of government in Minnesota as guaranteed by the Federal Constitution.

My life has been devoted to fighting for progressive men and progressive principles without much regard to party affiliations, but I have never been a Socialist, nor a Communist, and I am not one now.

I have by no means been a worshipper of party above principle. One of the greatest dangers in this country is a tendency to create or erect political machines, and to mislead the voters by appealing to their support of party loyalty rather than their support of civic loyalty.

The issues before the people of this State are far more important than personal friendship or personal success. I am going down the same road I have traveled for 30 years, and, when the Farmer-Labor Party adopted its recent platform it went to the left and accepted a philosophy of government, and a theory of politics, that I have never believed in and never will believe in.

This country was founded by God-fearing men and women as a protest against arbitrary power.

These men and women knew that personal liberty, the right of free speech, and of peaceable assemblage were the inalienable rights of free men.

They believed in the right of individual freedom and individual progress, and people of Nordic blood, of Teutonic strain, and of Celtic ancestry came to this country because they knew it offered the greatest opportunity for individual initiative and personal progress of any country in the world.

When our Government was founded nearly every land was ruled by an autocrat. There were few people whose lives did not depend upon the caprice of an autocrat.



Emperors, kings, and potentates ruled and decided the destiny of untold millions under the ridiculous doctrine of the divine right of kings. Men and women were mere cogs in a machine. They existed for the benefit of their rulers who were their government; they were subject to the whim and fancy, the selfishness, and the intrigue of an autocrat, who exercised arbitrary power over their lives and their destinies.

That, my friends, is the reason why men came from every land and from every clime, of every race and every creed, and on this uncharted continent founded a nation dedicated to liberty and consecrated to the cause of human freedom. They declared that arbitrary power, under whatever guise, should not obtain in a free country.

Thus was founded the American Republic and it has grown with the passing of the years until today, regardless of all our difficulties, there is in our country more prosperity, more opportunity, more freedom, and more liberty than in any land under God's shining sun.

It is proposed to change that form of government in Minnesota, and the hope of those who seek this change is to also change the form of government of our Nation. They want to substitute an autocracy for democracy. They want to substitute for individual freedom and individual initiative the arbitrary and ruthless power of an autocrat.

It is now proposed that we should abolish our form of government and create in its place a so-called "cooperative commonwealth", or a Communistic breeding place.

The Farmer-Labor platform demands that the State shall own all mines, factories, packing plants, railroads, and utilities; it demands that all insurance business be taken over by the State.

If the proposed program of the Farmer-Labor Party should prevail in Minnesota, it would put into the hands of a political machine the most far-reaching and arbitrary power ever known in the history of this country. It would inevitably lead to a dictatorship which would govern practically every activity of our lives.

Our country today is confronted with a crisis which challenges the judgment, the conscience, and the sincerity of all mankind.

In these trying times, when the very destiny of our representative form of government is at stake, there has arisen in the minds of some men the thought that our Government is a failure, that democracy is a sham, and that we should turn for help and assistance either to a dictatorship of privileged wealth or to a dictatorship of the so-called "proletariat." I am utterly opposed to a dictatorship in any form in America. The time must never come when the liberties and rights of the people of this country shall be subject to the whim or the fancy of any autocrat.

There is no more room for the divine right of special privilege or the divine right of entrenched wealth to control this democracy than there was for the divine right of kings to control the destiny of human beings.

A dictatorship of special privilege is a dictatorship of centralized wealth. A fascist form of government is a dictatorship of industry; a dictatorship of the so-called "proletariat" will destroy our democracy.

No autocracy, under whatever name, or whatever guise, has any place in Minnesota.

That platform is a betrayal of the farmers and laboring men of Minnesota and is basically a communistic platform and nothing else. It ceases to be a progressive document. It is a reactionary and subversive document. If we give them the power to carry out this program, it would sovietize this State; it would wipe away opportunity from rich and poor alike. It would destroy and take away from us every vestige of liberty. It would abolish personal rights. It would destroy personal initiative, crush ambition, and leave this State the laughing stock of the Nation.

In the campaign of 1924, as a candidate for the nomination for Governor I made my opening speech in my old home town of Marshall, Minn., and I want to read to you from the News-Messenger of Marshall, under date of April 25, 1924, a report of my speech on that occasion. I quote:

"Opening the plea for good government, Mr. Davis stated that he was a believer in our present republican form of government and opposed to any dictatorship either of the wealthy or the proletariat. The welfare of the Government, he declared, depends upon the individual, who should take an active interest in the Government and in the exercise of the franchise as a duty of citizenship, regardless of party affiliations."

Two years ago, in a speech in that political campaign, I had the following to say. I quote:

"I want to urge upon you who are listening to me the importance, the duty, and the obligation of casting a ballot in this election."

"We need to get back to the simple faith of our fathers who founded this Nation and handed it down to us in the hope that it could be a Nation that would grant to its people equal rights and equal opportunities."

"Let me urge upon everyone who is listening to me tonight to realize that we must not give way to despair or lose faith in this great democracy of ours."

"There is no room in this land of ours for communism; there is no room for a philosophy that would tear down our churches and wreck our schools; there is no room for a doctrine of despair; there is no room for a theory that would wipe the name of God from out the sky!"

This is where I stood 10 years ago; this is where I stood 2 years ago; and this is where I stand now.

In 1918 many of the farmers and laborers and business men of Minnesota rightly felt that we should oppose profiteering during the World War and felt it was the duty and right of the farmers to meet and discuss political issues. During that time you people well know that some men in the excess of zeal and misguided by sentiment headed mobs which denied many people the right to peaceably assemble and denied them the right of free speech.

My fight in 1918 was a fight against mob law, and I would make that fight tomorrow under similar circumstances. There never was, or should be, any room for mob law in Minnesota, and it makes no difference whether it is a mob of bankers, a mob of business men, a mob of farmers, or a mob of laborers.

No man who has the future of America at heart should support the Farmer-Labor platform.

It is destructive of American institutions and a betrayal of American ideals.

We should not blazon over this Nation, to the detriment of the name of our fair State, the fact that we are ready to place our destinies into the hands of a political oligarchy, or to allow any political party to take over the business, the factories, the insurance companies, and the fortunes of the people of Minnesota for political purposes.

For these reasons I must now oppose the Farmer-Labor communistic platform.

That platform is written in a few plain, simple words that are easily understood and the attempt that is now being made to interpret it and to mislead the people as to its actual interpretation and meanings is not politically frank.

Only recently a so-called "committee of 21" assumed to interpret this platform and to fool the people of Minnesota by telling them that the platform does not mean what it says.

WHO ARE THIS "COMMITTEE OF TWENTY-ONE"?—BY WHAT AUTHORITY DO THEY ACT?

Are they the "invisible government" of the Farmer-Labor Party who now claim the right to repudiate the action taken by 1,200 delegates in convention assembled?

Is the Farmer-Labor Party controlled by these 21 men and are the wishes of 1,200 delegates from all over this State to be set aside by a supercommittee?

The attempt to avoid the plain meaning and intent of this platform should not mislead the voters.

You voters are entitled to know whether a man running for public office is for such a platform or whether he is against it.

I am against that platform because it means communism and nothing else. You should be infinitely more against it because of the attempt now being made to mislead the voters by telling them that this convention did not mean what it said. The action taken by this committee is not democracy, it is autocracy, and I am against autocracy. I am against arbitrary power and I am against any predatory political machine, no matter whether it is manned by office seekers or controlled by privileged interests.

The recent Farmer-Labor platform demands, among other things, that immediate steps must be taken by the people to abolish capitalism.

It further demands a system whereby all natural resources, machinery of production, transportation, and communication shall be owned by the Government.

The effort is being made by the supporters of this platform to sell you on the idea that capitalism, in and of itself, must be abolished.

Capitalism means nothing more nor less than this: That a man or woman shall have the result, and shall be entitled to retain the profit earned from labor or the property which that man or woman has secured. Under this system gross injustices have occurred, and now prevail, but I tell you that we should not kill the patient in order to cure him.

Capitalism, with all its faults, is infinitely better than the so-called "cooperative commonwealth", which is nothing more or less than a camouflage for the word "communism."

The attempt is being made to fool the people of this State by telling them that a cooperative organization is similar to a cooperative commonwealth.

Under the laws of this State cooperatives have a right to hold property; to buy and sell goods; to make a profit as a result of their efforts and their work, and this is right and proper. I have always fought for liberal laws in behalf of the cooperative organizations in Minnesota.

My friends, this is entirely different than a cooperative commonwealth.

A cooperative commonwealth means this, and only this, that the Government as a State shall own all the property and that individuals or organizations of individuals shall not have the right to own property.

The purpose and intent of creating a so-called "cooperative commonwealth" is to bring about the abolition of all private property.

One of the first acts of Russian communism was to abolish all cooperative organizations.

The Russian system is a cooperative commonwealth, and let me read to you from The A B C of communism what two of the prominent Russian Communists state is the basis for the "cooperative commonwealth."

And, mark you, the words "communism" and "cooperative commonwealth" are used at all times interchangeably by these disciples of a darker day.



The language used in this book is strikingly similar to the language used in the recent Farmer-Labor platform.

Listen to this language—

"The basis of Communist society must be the social ownership of the means of production and exchange. Machinery, locomotives, steamships, factory buildings, warehouses, grain elevators, mines, telegraphs and telephones, the land, sheep, horses, and cattle, must all be at the disposal of society. All these means of production must be under the control of society as a whole, and not as at present under the control of individual capitalists or capitalist combines."

In a recent book analyzing and explaining the Communist constitution and the Russian system we find the following language, quote:

"Private ownership of land is abolished; all land is declared 'national property.' \* \* \* Forests, mines, and livestock are also proclaimed 'public property.' Factories, shops, banks, railways, and other means of production and transportation are likewise to become the property of the Soviet Republic."

"With equal definiteness the Soviet constitution proceeded to disqualify from voting and holding office among others, (1) persons employing hired labor for the sake of profit; (2) persons living on an income not derived from their own labor; (3) private business men and trade and commercial agents; (4) monks and clergymen of all religious denominations."

No wonder they tell you that the word "communism" scares the people.

It has a right to scare you. It has a right to make you stop and realize where we are drifting.

In Russia, under the communistic system, the Government or the State takes over mines, factories, banks, railways, and other means of production and transportation.

In Minnesota the Farmer-Labor platform declares for a system where all the natural resources, machinery of production, transportation, and communication shall be owned by the Government.

This same Farmer-Labor platform, under its industrial program, demands, I quote, "Ownership of all mines, water power, transportation, communication, banks, packing plants, factories, and all public utilities."

All I ask of the voters of Minnesota, of the farmers who want to own their farms, of the laboring men who want to keep their homes, is to set side by side the demands of Russian communism and the demands of the Farmer-Labor platform.

The same mind if not the same hand wrote both of these programs.

It is an utter impossibility to take over all industry and pay for it by any form of taxation. If it is to be taken over, it must be seized and confiscated without regard to the rights of the owners. It cannot be acquired otherwise, and this means just what was done in Soviet Russia.

If this proposed program is put into effect in Minnesota, if a super-State shall take over our factories, all packing plants, all railroads, all bus lines, it means that organized labor and the railroad men of this State will lose every advantage and every right they have obtained through these long years of organization and effort. Under such a system of government, the labor unions will cease to exist. What will become of their right to bargain for either working conditions or wages? All of this will be benignly provided for them under the dictatorship of the proletariat!

The history of autocracy in recent years in Russia and in Italy has spelled the doom of individual liberty and has taken away from organized labor the chance to obtain its rights.

Some of the proponents of this program rightly say that there are hungry people in this land and people in need, and we know it is the truth, to the shame of Minnesota and this Nation, but what you must not forget is that in Russia, the cradle of communism, there also are hungry people who are cold; in Italy, with its dictatorship, there are also unemployed; in Germany, with its dictatorship, there are also hungry men and hungry women walking the streets; and the men and women of those countries would give anything in the world if they could come to these United States; and in every one of those countries the right of free speech, the right to criticize your government, the right of assemblage, the right of a free press have been taken away from the people. This is what would happen in Minnesota and in this Nation under a political dictatorship and an industrial autocracy, and this is why free men and free women will never stand for such a program.

Bear this fact in mind—that no government and no law can make men honest, intelligent, thrifty, or ambitious. These qualities are implanted in human hearts and breasts by an infinite God.

Human nature has not changed through all the centuries. Men and women are motivated by the same influences. Self-interest and the desire to advance can never be driven from the human heart and the human breast.

Government exists and functions for the people and for the preservation of their rights, and people do not exist merely for the Government.

If nothing more were needed to rouse the Christian people of this State to action, if there were no other planks in this platform which spell the doom of individual liberty, let me call your attention to the fact that the plank on education is a direct challenge to every man and woman in this State.

This plank provides, among other things, "Textbooks to be published by the State and free to all students."

If the State has the right to publish the books, it, of course, has the right to say what kind of books will be published.

It can establish a State religion, or perhaps establish a philosophy that will laugh at all religion.

Will this political oligarchy tell you fathers and mothers that you shall not have the right to educate and instruct your children in the religious faith which is so sacred to you?

The result of every effort that has gone on through the centuries to give us a free and untrammelled system of education should not be lost.

This platform means that a Communist or a Socialist, if they have the power, can put into the hands of your children every book which tends to tear down regard for our cherished institutions. It means that on matters of religion, morals, and social welfare that a super-state shall determine what books shall be printed and given to our children.

Russia is the only country in the world which is a co-operative commonwealth.

Russia is the only country in the world which denies the right of franchise and the right to hold office to clergymen of all denominations.

It was Liebnicht, the German Socialist, who said: "It is our duty as Socialists to root out the faith in God with all our might. Nor is anyone worthy of the name who does not consecrate himself to the spread of atheism."

It was Bebel who said: "Christianity and socialism stand toward each other as fire and water. Christianity is the enemy of liberty and civilization. It has kept mankind in slavery and oppression."

It was Bakunine, the Russian Communist, who said: "We declare ourselves atheists. We seek the abolition of all religion and the abolition of marriage."

It was Yaroslavsky, the Russian Communist, in 1929 who said: "We are against God. We are against capital. We are for socialism. We are for a world union of toilers. We are for the Communist Internationale."

Do you want atheists and men who would drive religion and churches out of Minnesota to write the school books for your children?

I deny the right of any set of men, governed by any political party, to tell your children or my children what books shall be printed and used in the schools of Minnesota.

I maintain that we have the right to raise our children in the faith of our fathers, and we should be unwilling to surrender that right to any political party.

No father or mother who has at heart the welfare and interest of his boys or his girls can or will stand for such a platform.

I appeal especially to the mothers and wives of Minnesota. In your hand is the destiny of this State and Nation; into your keeping is given the future education, both morally and mentally, of your boys and girls.

It has not been easy for me to break with political and personal friends with whom I have associated for many years. Whatever they may say of me, or about me, cannot change the issues facing you people. These issues rise higher than the hopes and ambitions of any man. These issues are more important than the political success of any individual, or any political machine.

In making the campaign that I am making for the United States Senate, I have done so at the request of hundreds of Republicans who have frequently disagreed with me in years past and whom I have differed with and criticised in past campaigns. But they are opposed to a communistic philosophy, and on that issue, which is the biggest issue facing you voters, I am in accord with them.

The support that has been tendered me also comes from the rank and file of the Republicans and Progressives who are willing to forget past differences and to fight shoulder to shoulder against the effort that is now being made to Russianize this State.

In the 30 years that I have campaigned in Minnesota I have spent my own money and my own time fighting for economic and political principles in which I believe. I have never been for sale, and never will be for sale.

I am not now and never will be the candidate or the representative of big business or of privileged interests.

If what I am fighting for appeals to you men and women of Minnesota, I want your help and support. If the ideals and principles which I am advocating in this campaign are the ideals, the principles, the hopes, and the aspirations of the men and women who believe in this democracy, and who will demand that it shall endure, and that communism shall not prevail, then give me your votes and your support.

I am but an incident in this contest, and whether I win or lose is not of supreme importance, but it is a matter of the highest importance to the voters of Minnesota whether this State shall become a communistic experimental station.

Shall we turn Minnesota over to a political machine dominated and controlled by Communists, and whose platform was written by Communists and by men who have no regard for our cherished institutions?

I need the help of men and women in the common walks of life; of you folks whom I have known in the 30 years I have fought political battles in Minnesota.

I want the people of this State who believe in the fight I am making to send in their names. I want you to come to headquarters and get literature and deliver it from house to house in this campaign.



I am opposed to any philosophy which has, with ruthless power, destroyed freedom of religion, freedom of education, and desecrated the most sacred ideals of Christian civilization.

I will be fighting for economic justice and economic equality after the primaries have closed whether I am nominated for United States Senator or not. You will find me going down the line fighting against this platform which is a betrayal of the laborer and the farmer; fighting against Russianizing Minnesota; fighting against a communistic philosophy which will destroy American institutions, wipe out American homes, and desecrate American ideals.

My friends, three flags beckon us to follow under their banner. The first flag is the black flag of piracy and special privilege, which has helped to bring us into the condition we are now in, and that flag is controlled by selfish interests alone. That flag is carried in the hands of men who are controlled by greed, who demand special privilege, and who are willing to forget the high destiny of this Nation and the sacred obligation of citizenship.

The Republican Party of Minnesota must not march under the flag of the House of Morgan, or the flag of special privilege.

And there arises before me another flag, held in the hands of men who would forget their country. This is the red flag of Communism, a flag that is nurtured in the breast of despair; that is controlled by envy, prompted by greed, and nurtured by hatred. That flag would give us a philosophy that would tear down our churches and wreck our schools, and it would wipe the name of God from out the sky.

That flag would destroy the American home and wipe out the American fireside and take ambition and hope from out the human heart.

And there is another flag. Your flag and my flag—the Stars and Stripes, baptized in the blood of our patriots. A flag that followed Washington as he knelt with his frozen comrades at Valley Forge.

This is the flag which waved over our boys from 1861 to 1865, when rebellion sought to destroy this country; this flag waved over the head of my old soldier father at Shiloh; this flag waved over the head of Grant at Vicksburg; this flag waved over the head of Sherman as he split the Confederacy in twain and saved this Republic. This is the flag which is waving over our heads today calling us to high endeavor and to civic duty when rebellion or greed or autocracy seeks to destroy this Republic and erect a dictatorship in our State. This is the flag which calls to us as citizens to lift our trembling hands and hold it aloft in these trying times.

From those who died at Bunker Hill and at Valley Forge; who gave their lives at Bull Run, at Shiloh, and at Vicksburg; who fell at Chateau Thierry, the Marne, and the Argonne there comes today a challenge to the patriotism and the manhood and womanhood of this Nation that we keep the faith, that we preserve this democracy, and that we hand it down to coming generations untouched by fraud, untarnished by greed.

#### IN FLANDERS' FIELDS

By Col. John McCrae

In Flanders' fields the poppies blow  
Between the crosses, row on row,  
That mark our place, and in the sky  
The larks, still bravely singing, fly—  
Scarce heard amidst the guns below.  
We are the dead! Short days ago  
We lived, felt dawn, saw sunset glow,  
Loved and were loved, and now we lie  
In Flanders' fields.

Take up our quarrel with the foe!  
To you from failing hands we throw  
The torch; be yours to hold it high.  
If ye break faith with us who die  
We shall not sleep, though poppies grow  
In Flanders' fields.

Men and women of Minnesota, in the trying hours of the World War one battle cry was raised and it was this: "They shall not pass!" And I can hear those boys who gave their lives in behalf of this democracy crying out to every man and woman in Minnesota: "Awaken to your duty as citizens, rise in defense of your institutions and your homes and send this message to those who would take away from you all liberty, all human rights, the message that was carried on the fields of France: 'You must not pass! You shall not pass, for democracy and liberty must endure and prevail!'"

#### DEFICIENCY APPROPRIATIONS

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of House bill 9830, the deficiency appropriation bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and so forth, which had been reported from the Committee on Appropriations with amendments.

#### RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until tomorrow at 11 o'clock.

The motion was agreed to; and (at 6 o'clock and 50 minutes p.m.), under the order previously entered, the Senate took a recess until tomorrow, Friday, June 15, 1934, at 11 o'clock a.m.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate June 14 (legislative day of June 6), 1934*

FOREIGN SERVICE OFFICER OF CLASS 4, A CONSUL, AND A SECRETARY IN THE DIPLOMATIC SERVICE

Clinton E. MacEachran to be Foreign Service officer of class 4, a consul, and a secretary in the Diplomatic Service.

#### UNDER SECRETARY OF AGRICULTURE

Rexford Guy Tugwell to be Under Secretary of Agriculture.

#### FOURTH ASSISTANT POSTMASTER GENERAL

Smith W. Purdum to be Fourth Assistant Postmaster General.

#### UNITED STATES DISTRICT JUDGES

George Murray Hulbert to be United States district judge, southern district of New York.

Harlan W. Rippey to be United States district judge, western district of New York.

#### CHIEF JUSTICE OF THE SUPREME COURT, TERRITORY OF HAWAII

James L. Coke to be chief justice of the supreme court, Territory of Hawaii.

#### ASSOCIATE JUSTICE OF THE SUPREME COURT, TERRITORY OF HAWAII

James J. Banks to be associate justice of the supreme court, Territory of Hawaii.

#### CIRCUIT JUDGES, TERRITORY OF HAWAII

Harold E. Stafford to be circuit judge, first circuit, Territory of Hawaii.

James Wesley Thompson to be circuit judge, third circuit, Territory of Hawaii.

Delbert E. Metzger to be circuit judge, fourth circuit, Territory of Hawaii.

Miss Carrick H. Buck to be circuit judge, fifth circuit, Territory of Hawaii.

#### UNITED STATES DISTRICT JUDGE, DISTRICT OF HAWAII

Seba C. Huber to be United States district judge, district of Hawaii.

#### UNITED STATES MARSHAL, DISTRICT OF HAWAII

Otto F. Heine to be United States marshal, district of Hawaii.

#### APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

First Lt. John Lyman Hitchings to Cavalry.

#### PROMOTIONS IN THE REGULAR ARMY

William Alexander McCain to be colonel, Quartermaster Corps.

John Knowles Herr to be colonel, Cavalry.

Isaac Edwin Titus to be lieutenant colonel, Chemical Warfare Service.

Arnold Norman Krogstad to be lieutenant colonel, Air Corps.

Eley Parker Denson to be lieutenant colonel, Infantry.

Alan Lockhart Campbell to be major, Field Artillery.

Edwin Wolsey Grimmer to be major, Infantry.

Donald Langley Dutton to be major, Coast Artillery Corps.

Frederick Harold Leroy Ryder to be major, Cavalry.

Lloyd Davidson Brown to be major, Infantry.

George Jackson Downing to be major, Field Artillery.

Wallace William Crawford to be major, Field Artillery.

William Lewis Boyd to be captain, Air Corps.

Leon Edgar Sharon to be captain, Air Corps.

Clarence Redmond Farmer to be captain, Infantry.

Ivan Lewis Proctor to be captain, Air Corps.

Delmar Hall Dunton to be captain, Air Corps.

Orvil Arson Anderson to be captain, Air Corps.

Emile Tisdale Kennedy to be captain, Air Corps.

Robert Benjamin Hood to be captain, Field Artillery.

James Joseph Harris to be captain, Quartermaster Corps.  
Charles Franklin Fletter to be captain, Quartermaster Corps.

Roy Milton Thoroughman to be captain, Infantry.

Robert Albert Howard, Jr., to be first lieutenant, Infantry.

Thomas Joseph Counihan to be first lieutenant, Field Artillery.

Ephraim Hester McLemore to be first lieutenant, Field Artillery.

James Easton Holley to be first lieutenant, Field Artillery.

Frederick G. Stritzinger, 4th, to be first lieutenant, Field Artillery.

Robert Falligant Travis to be first lieutenant, Air Corps.

John Dabney Billingsley to be first lieutenant, Ordnance Department.

Thomas Joseph Cody to be first lieutenant, Signal Corps.

Robert George Butler, Jr., to be first lieutenant, Coast Artillery.

Carl Herman Sturies to be first lieutenant, Signal Corps.

Joseph Anthony Michela to be first lieutenant, Cavalry.

#### POSTMASTERS

##### ALABAMA

Charles U. Totty, Tallassee.

##### ARIZONA

Emory D. Miller, Nogales.

##### CALIFORNIA

Faith I. Wyckoff, Firebaugh.

Frederick N. Blanchard, Laton.

Bert A. Wilson, Los Banos.

##### COLORADO

Patrick H. Kastler, Brush.

Tom C. Crist, Haxtun.

Alta M. Cassietto, Telluride.

##### DELAWARE

Joseph C. Slack, Newport.

##### GEORGIA

Sarah K. Scoville, Oglethorpe.

Duncan E. Flanders, Swainsboro.

George Arnold Ware, Tignall.

DeWitt P. Trulock, Whigham.

##### ILLINOIS

Richard Laux, Addison.

Mary O. McDaniel, Buffalo.

John P. Hook, Jr., Fulton.

Fern Conard, Lamoille.

Mary I. Brown, Little York.

Kate McDonnell, Loda.

George W. Collins, Lombard.

O. Cammie Seeders, Palestine.

Grove Harrison, Viola.

##### LOUISIANA

Theo Lemoine, Cottonport.

Maurice Primeaux, Kaplan.

Zollie J. Meadows, Ruston.

##### MASSACHUSETTS

Nellie E. Callahan, Littleton Common.

Gladys V. Crane, Merrimac.

Lawrence Cotter, North Brookfield.

Alexander J. MacQuade, Osterville.

James G. Cassidy, Sheffield.

John J. Kent, Jr., West Bridgewater.

##### MICHIGAN

Elfreda L. Mulligan, Grand Marais.

Jessie E. Lederle, Leland.

##### NEBRASKA

Ray W. Jones, Ashland.

Bert Winters, Broadwater.

Clair Grimes, Chambers.

Marion M. Kenroy, Long Pine.

Ethel L. Ossenkop, Louisville.

Almira R. Boblits, Oconto.

Kathryn V. McCusker, Ogallala.

Lawrence H. Aufdengarten, Oshkosh.

Cordes E. Walter, Page.

Bert S. Amos, Sargent.

John B. Karn, Stapleton.

Charles E. Major, Trenton.

#### NEW JERSEY

John A. Wheeler, Monmouth Beach.

Nicholas T. Ballentine, Peapack.

Anna C. Kelleher, Wayne.

Patrick J. Shortt, Wildwood.

#### NEW YORK

John F. Gleason, Le Roy.

John M. Collins, Lyons.

Mary Gallagher, Witherbee.

#### NORTH DAKOTA

J. Benus Kinneberg, Leeds.

Nicholas J. Krebsbach, Velve.

James F. Keaveny, Wales.

#### PENNSYLVANIA

Harry E. Trout, Mercersburg.

Ollie W. Aucker, Tionesta.

Hazel B. Davis, Westfield.

#### RHODE ISLAND

William H. Follett, Howard.

John J. Ahern, Jamestown.

Elton L. Clark, North Scituate.

Winfred C. Kingsley, Wickford.

#### SOUTH DAKOTA

Mattie E. Smith, Burke.

Charles H. Page, McLaughlin.

Harry Dettman, Mission.

Naomi Killian, Wasta.

Anna F. Dillon, Whitewood.

#### TEXAS

Henry W. Hoffer, Kaufman.

Clyde E. Perkins, Kirkland.

Marvin G. Prewitt, Ralls.

#### VERMONT

Frank Regan, Manchester.

Laura L. Veyette, Quechee.

#### VIRGINIA

C. Ward Kyle, Rural Retreat.

Clementine M. Wright, Sharps.

Rufus W. Garriss, South Hill.

Richard S. Wright, Strasburg.

## HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 14, 1934

The House met at 12 o'clock noon.

Rev. Clifford H. Jope, pastor of the Ninth Street Christian Church, Washington, D.C., offered the following prayer:

Divine Father, we thank Thee for the presence of Thy governing hand guiding the destinies and affairs of men. Thou hast blessed us along the way with free institutions, noble ideals, true patriots, pure religion, and holy purposes. Help us to trust Thy leadership when we cannot see the way.

Divine Father, we pray Thee for all who hold public office and power, in whose hands rests the life, welfare, and virtue of the people. Give our leaders the vision of the possible future of our country. Enlarge the scope of our brotherhood. Give us patience when we are misunderstood and our sincerity is doubted. Endue us with the spirit of humility and service. Hold us true to those principles which mean the largest measure of happiness and security for all people. Sweep from all human hearts the gloom of doubt, the blackness of envy, and the poison of hatred. Breathe Thy life into our people. Purge our cities, States, and Nation of the deep causes of corruption which make sin profitable and uprightness hard. Lord, touch us into life that